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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 Perennial Real Estate Holdings Limited, Perennial Treasury Pte. Ltd., DBS Bank Ltd. or United Overseas Bank Limited or any person who controls any of them nor any of their respective directors, officers, employees, 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.

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The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and 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 the dealers or such affiliate on behalf of Perennial Real Estate Holdings Limited or Perennial Treasury Pte. Ltd. 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 this 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 this document 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.

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PERENNIAL REAL ESTATE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 28 November 2002)

(UEN/Company Registration No. 200210338M)

and

PERENNIAL TREASURY PTE. LTD.

(Incorporated in the Republic of Singapore on 25 September 2013)

(UEN/Company Registration No. 201326018H)

S\$2,000,000,000

**Multicurrency Debt Issuance Programme
(the "Programme")**

**(In the case of Securities issued by Perennial Treasury Pte. Ltd.)
unconditionally and irrevocably guaranteed by
Perennial Real Estate Holdings Limited**

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

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

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

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

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

All sums payable in respect of the Securities issued from time to time by Perennial Treasury Pte. Ltd. are unconditionally and irrevocably guaranteed by Perennial Real Estate Holdings Limited (the "Guarantor").

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and the listing 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 quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuers, the Guarantor, their respective subsidiaries, their respective associated companies (if any), their respective joint venture companies (if any), the Programme or such Securities.

Arrangers



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NOTICE

DBS Bank Ltd. and United Overseas Bank Limited (the “**Arrangers**”) have been authorised by Perennial Real Estate Holdings Limited and Perennial Treasury Pte. Ltd. (each an “**Issuer**” and together, the “**Issuers**”) to arrange the Programme described herein. Under the Programme, each of the Issuers may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Securities denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Securities issued by Perennial Treasury Pte. Ltd. will be unconditionally and irrevocably guaranteed by Perennial Real Estate Holdings Limited (in such capacity, the “**Guarantor**”).

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

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section “Summary of the Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same 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 S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) or otherwise delivered as agreed between the Relevant Issuer (as defined herein) 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 Relevant Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Relevant 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 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 common depositary for Euroclear and/or Clearstream, Luxembourg or otherwise delivered as agreed between the Relevant Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to below) shall be S\$2,000,000,000 (or its equivalent in any other currencies) or such increased amount in accordance with the terms of 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 and, if given or made, such information or representation must not be relied upon as having been authorised by either of the Issuers, the Guarantor, either Arranger or any of the Dealers. 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 either of the Issuers, the Guarantor or any of their respective subsidiaries, associated companies (if any) or joint venture 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 may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of either of the Issuers, the Guarantor, either Arranger or any of the Dealers 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 and the offer of the Securities in certain jurisdictions may be 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 comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

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

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

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant 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 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 of this Information Memorandum (or any part thereof) or 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 either of the Issuers, the Guarantor or any of their respective subsidiaries, associated companies (if any) or joint venture 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 Arrangers and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arrangers, any of the Dealers or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of either of the Issuers, the Guarantor or their respective subsidiaries, associated companies (if any) or joint venture companies (if any). Further, none of the Arrangers or any of the Dealers makes any representation or warranty as to either of the Issuers, the Guarantor or their respective subsidiaries, associated companies (if any) or joint venture 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 either of the Issuers, the Guarantor, either Arranger or any of the Dealers 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 purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuers, the Guarantor and their respective subsidiaries, associated companies (if any) and joint venture companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuers, the Guarantor and their respective subsidiaries, associated companies (if any) and joint venture companies (if any). Accordingly, notwithstanding anything herein, none of the Arrangers, any of the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arrangers or any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by either Arranger or any of the Dealers or on its behalf in connection with either of the Issuers, the Guarantor, the Group (as defined herein), the Programme or the issue and offering of the Securities. Each 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.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or publicly announced unaudited financial statements of the Issuers and the Guarantor, and (2) any supplement or amendment to this Information Memorandum issued by the Issuers. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the respective specified office of the Principal Paying Agent (as defined herein) or, as the case may be, the Non-CDP 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 and the issue of the Securities by the Relevant 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 Issuers, the Guarantor, either Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Relevant 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 attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section "Subscription, Purchase and Distribution" on pages 176 and 177 of this Information Memorandum.

Any person(s) who is 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 purchase or subscribe for any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

REGULATORY NOTICE

The disclosure below is made pursuant to the conditions of the waiver granted by the Securities Industry Council (the “SIC”) to Perennial Real Estate Holdings Pte. Ltd. (“PREH”) and its concert parties (the “PREH Concert Party Group”), in relation to the reverse takeover of St James Holdings Limited (now known as Perennial Real Estate Holdings Limited) (“PREHL”). Capitalised terms not defined in this section shall have the same meaning set out in the Circular dated 18 September 2014 issued by PREHL in respect of, *inter alia*, the approval of the Proposed Acquisition (the “Circular”).

Details of the Whitewash Resolution

On 14 March 2014, the SIC had granted the PREH Concert Party Group a waiver of the requirement to make a general offer for PREHL under Rule 14 of the Code upon the issue of the Consideration Shares pursuant to the Proposed Acquisition. The SIC has granted its waiver, subject to the conditions set out in the Circular. On 10 October 2014, the shareholders of PREHL (the “Shareholders”) passed the Proposed Whitewash Resolution waiving their rights to receive a general offer from the PREH Concert Parties for their PREHL Shares. For the purposes of the Proposed Whitewash Resolution, the issue of the Consideration Shares for the Proposed Initial Acquisition must be completed within three months of 10 October 2014 and the issue of the remaining Consideration Shares to the PREH Concert Party Group must be completed by 10 June 2015 (the “Final Issue Date”), being the date falling two months from the Final Long Stop Date.

Holdings and Interests of the PREH Concert Party Group and the Maximum Potential Interests of the PREH Concert Party Group

As at the Latest Practicable Date, (i) the PREH Concert Party Group holds in aggregate 733,640,815 PREHL Shares; and (ii) in the event that the Deferred Beijing Acquisition takes place on or prior to Final Long Stop Date, the PREH Concert Party Group is entitled to receive up to an additional 290,023,681 PREHL Shares on or prior to the Final Long Stop Date. In addition, Mr Pua Seck Guan is entitled to receive up to 12,021,578 PREHL Shares on or about 27 July 2016 in relation to the Consideration Shares to be issued in respect of the Deferred PREPL Acquisition. 44,464,147 PREHL Shares have been issued to the PREH Concert Party Group pursuant to net asset value adjustment for the Proposed Initial Acquisition, and the PREH Concert Party Group may receive up to an additional 8,206,046 PREHL Shares pursuant to net asset value adjustment for the Deferred Acquisitions. Save as disclosed herein, none of the PREH Concert Party Group holds PREHL Shares and instruments convertible into, rights to subscribe for and options in respect of PREHL Shares. Accordingly, the maximum potential interest of the PREH Concert Party Group is 1,043,892,120 PREHL Shares, representing approximately 63.58 per cent. of the PREHL Shares in issue, assuming no other PREHL Shares are issued.

Cautionary Statement

Shareholders should note that, having approved the Whitewash Resolution, Shareholders have waived their rights to receive a general offer from the PREH Concert Party Group at the highest price paid by the PREH Concert Party Group for PREHL Shares in the past six months preceding the date of the Whitewash Resolution.

Shareholders should also note that, having approved the Whitewash Resolution, Shareholders could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the outstanding PREHL Shares which may be allotted and issued on or prior to the Final Issue Date for the Deferred Beijing Acquisition (if completed).

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 each Issuer, the Guarantor and/or the Group (including statements as to each Issuer’s, the Guarantor’s and/or the Group’s revenue, profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of each Issuer, the Guarantor and/or the Group, expected growth in each 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 each 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 each Issuer, the Guarantor and/or the Group.

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

Given the risks and uncertainties that may cause the actual future results, performance or achievements of each 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 Issuers, the Guarantor, the Arrangers and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuers, 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 affairs of the Issuers, 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 Issuers, the Guarantor, the Arrangers and the Dealers 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 initiatives.
- “Agency Agreement”** : The Agency Agreement dated 22 January 2015 between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, (3) the Principal Paying Agent, as principal paying agent, CDP transfer agent and CDP registrar, (4) the Non-CDP Paying Agent, as non-CDP paying agent and transfer agent, (5) the Non-CDP Registrar, as non-CDP registrar, and (6) the Trustee, as trustee, as amended, restated or supplemented from time to time.
- “Arrangers”** : DBS Bank Ltd. and United Overseas Bank Limited.
- “Bearer Securities”** : Securities in bearer form.
- “Beijing Assets”** : Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2.
- “business day”** : A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore.
- “Business Trusts Act”** : Business Trusts Act, Chapter 31A of Singapore.
- “Calculation Agent”** : In relation to any Series of Securities, the person appointed as calculation agent for that Series and as specified in the applicable Pricing Supplement.
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST.
- “CDP” or the “Depository”** : The Central Depository (Pte) Limited.
- “CDP Registrar”** : Deutsche Bank AG, Singapore Branch.
- “CDP Transfer Agent”** : Deutsche Bank AG, Singapore Branch.
- “Certificate”** : A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the Conditions of the Notes or the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
- “Circular”** : The Circular dated 18 September 2014 issued by PREHL in respect of, *inter alia*, the approval of the proposed acquisition described therein.
- “Common Depository”** : In relation to a Series of the Securities, a depository common to Euroclear and Clearstream, Luxembourg.

“Companies Act”	:	Companies Act, Chapter 50 of Singapore.
“Conditions”	:	<p>(i) 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>(ii) 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>
“Couponholders”	:	The holders of the Coupons.
“Coupons”	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
“Dealers”	:	Persons appointed as dealers under the Programme.
“Deferred Beijing Acquisition”	:	The proposed acquisition of the Beijing Assets as described in the section “Perennial Real Estate Holdings Limited – Pipeline Assets”.
“Deferred PREPL Acquisition”	:	The proposed acquisition on 27 July 2016 of the Deferred PREPL Shares as described in the section “Perennial Real Estate Holdings Limited – Pipeline Assets”.

“Deferred PREPL Shares”	:	51.00 per cent. of the issued ordinary shares of PREPL that are held by Mr Pua Seck Guan.
“FY”	:	Financial year.
“GFA”	:	Gross floor area.
“Global Certificate”	:	A Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) CDP, (ii) the Common Depository and/or (iii) any other clearing system.
“Global Security”	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon.
“Group”	:	The Guarantor and its subsidiaries.
“Guarantee”	:	The guarantee and indemnity of the Guarantor contained in the Trust Deed and shall, where the context so requires, mean either the Senior Guarantee or the Subordinated Guarantee. References to the Guarantee shall only apply to Securities issued by PTPL.
“Guarantor” or “PREHL”	:	Perennial Real Estate Holdings Limited.
“HPRY”	:	HPRY Holdings Limited.
“HSR”	:	High-speed railway.
“IRAS”	:	Inland Revenue Authority of Singapore.
“Issuers”	:	PREHL and PTPL and “Issuer” means either of them.
“ITA”	:	Income Tax Act, Chapter 134 of Singapore.
“Latest Practicable Date”	:	13 January 2015.
“Leisure and Entertainment Business”	:	The leisure and entertainment business of St. James as described in the section “Perennial Real Estate Holdings Limited – Disposal of St. James’ existing business”.
“M&E”	:	Mechanical and electrical.
“MAS”	:	The Monetary Authority of Singapore.
“MRT”	:	The Mass Rapid Transit network in Singapore.
“NAV”	:	Net asset value.
“NLA”	:	Net lettable area.

“Non-CDP Paying Agent”	:	Deutsche Bank AG, Hong Kong Branch.
“Non-CDP Registrar”	:	Deutsche Bank Luxembourg S.A.
“Non-CDP Transfer Agent”	:	Deutsche Bank AG, Hong Kong Branch.
“Noteholders”	:	The holders of the Notes.
“Notes”	:	The notes issued or to be issued by the Relevant Issuer under the Programme.
“Paying Agents”	:	The Principal Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuers as paying agent for the Securities and Coupons.
“PCRT”	:	Perennial China Retail Trust.
“PCRTM”	:	Perennial China Retail Trust Management Pte. Ltd.
“PCRT Real Estate Properties”	:	Each of the Real Estate Properties under the portfolio of PCRT.
“Permanent Global Security”	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security.
“Perpetual Securities”	:	The perpetual securities issued or to be issued by the Relevant Issuer under the Programme.
“Perpetual Securityholders”	:	The holders of the Perpetual Securities.
“PRC”	:	People’s Republic of China.
“PRC Real Estate Entities”	:	Entities in the PRC in which the Group has an interest from time to time.
“PRC Real Estate Properties”	:	Each of the Real Estate Properties located in the PRC.
“PREH”	:	Perennial Real Estate Holdings Pte. Ltd.
“PREPL”	:	Perennial Real Estate Pte. Ltd.
“Pricing Supplement”	:	In relation to a Tranche or Series, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.
“Principal Paying Agent”	:	Deutsche Bank AG, Singapore Branch.

“Programme”	:	The S\$2,000,000,000 Multicurrency Debt Issuance Programme of the Issuers.
“Programme Agreement”	:	The Programme Agreement dated 22 January 2015 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, (3) the Arrangers, as arrangers, and (4) DBS Bank Ltd. and United Overseas Bank Limited, as dealers, as amended, restated or supplemented from time to time.
“PTPL”	:	Perennial Treasury Pte. Ltd.
“Real Estate Properties”	:	The real estate properties which the Group owns or, as the case may be, has interests in, from time to time.
“Registered Securities”	:	Securities in registered form.
“REIT”	:	Real estate investment trust.
“Relevant Issuer”	:	In relation to any Tranche or Series, the Issuer which has concluded an agreement with the relevant Dealer(s) to issue, or which has issued, the Securities of that Tranche or Series.
“RTO”	:	The reverse take-over as described in the section “Perennial Real Estate Holdings Limited – Reverse take-over of St. James Holdings Limited”.
“Securities Act”	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
“Securities”	:	The Notes and the Perpetual Securities.
“Securityholders”	:	The Noteholders and the Perpetual Securityholders.
“Senior Guarantee”	:	The Guarantee by the Guarantor of the Notes, the Senior Perpetual Securities and the Coupons relating thereto on a senior basis.
“Senior Perpetual Securities”	:	Perpetual Securities which are expressed to rank as senior obligations of the Relevant Issuer.
“Series”	:	(1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended.

“SFRS”	:	Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shares” or “PREHL Shares”	:	Ordinary shares in the capital of PREHL.
“Singapore Real Estate Properties”	:	Each of the Real Estate Properties located in Singapore.
“St. James”	:	St. James Holdings Limited.
“Subordinated Guarantee”	:	The Guarantee by the Guarantor of the Subordinated Perpetual Securities and the Coupons relating thereto on a subordinated basis.
“Subordinated Perpetual Securities”	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Relevant Issuer.
“Talons”	:	Talons for further Coupons.
“Temporary Global Security”	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue.
“Tranche”	:	Securities which are identical in all respects (including as to listing).
“Trust Deed”	:	The Trust Deed dated 22 January 2015 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended, restated or supplemented from time to time.
“Trustee”	:	DB International Trust (Singapore) Limited.
“United States” or “U.S.”	:	United States of America.
“Wilmar”	:	Wilmar International Limited.
“Euro”	:	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.
“RMB”	:	Renminbi, the official currency of the PRC.
“S\$” and “cents”	:	Singapore dollars and cents respectively.
“sq ft”	:	Square feet.

“sq m” : Square metres.

“%” : 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.

CORPORATE INFORMATION

Perennial Real Estate Holdings Limited

Board of Directors	:	Kuok Khong Hong @ Kuok Khoon Hong Ron Sim Chye Hock Eugene Paul Lai Chin Look Chua Phuay Hee Lee Suan Hiang Pua Seck Guan
Company Secretary	:	Khong Mee Hong
Registered Office	:	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore 038986
Auditors	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

Perennial Treasury Pte. Ltd.

Board of Directors	:	Pua Seck Guan Goh Hwee Peng Gan Chui Chui
Company Secretaries	:	Sim Ai Hua Khong Mee Hong
Registered Office	:	6 Temasek Boulevard #25-04/05 Suntec Tower Four Singapore 038986
Auditors	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581

Arrangers of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
		United Overseas Bank Limited 80 Raffles Place #03-01 UOB Plaza 1 Singapore 048624
Legal Advisers to the Arrangers	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Trustee, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar, the CDP Transfer Agent and the Non-CDP Transfer Agent	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuers and the Guarantor	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Principal Paying Agent, CDP Registrar and CDP Transfer Agent	:	Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583
Non-CDP Paying Agent and Non-CDP Transfer Agent	:	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
Non-CDP Registrar	:	Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer L-1115 Luxembourg
Trustee for the Securityholders	:	DB International Trust (Singapore) Limited One Raffles Quay #16-00 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

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

Issuers	:	Perennial Real Estate Holdings Limited Perennial Treasury Pte. Ltd.
Guarantor (in the case of Securities issued by Perennial Treasury Pte. Ltd.)	:	Perennial Real Estate Holdings Limited
Arrangers	:	DBS Bank Ltd. United Overseas Bank Limited
Dealers	:	DBS Bank Ltd., United Overseas Bank Limited and/or such other Dealers as may be appointed by the Relevant Issuer in accordance with the Programme Agreement.
Trustee	:	DB International Trust (Singapore) Limited
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch
Non-CDP Paying Agent	:	Deutsche Bank AG, 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 increased amount in accordance with the terms of the Programme Agreement.

NOTES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Relevant Issuer and the relevant Dealer(s).
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.

Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Relevant Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Relevant Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	<p>Floating Rate Notes which are denominated in Singapore dollars will bear interest 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 Relevant 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 Relevant Issuer and the relevant Dealer(s) prior to their issue.</p> <p>Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s).</p>
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Relevant Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Relevant 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 Relevant 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 Relevant Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed

between the Relevant Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Relevant Issuer and the relevant Dealer(s).

- Zero Coupon Notes : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
- Form and Denomination of Notes : The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Relevant Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depository and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein. Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, 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 Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.
- Custody of the Notes : Notes which are to be listed on the SGX-ST may be cleared through CDP, Euroclear and/or Clearstream, Luxembourg. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes 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.
- Status of the Notes and the Guarantee : The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Relevant 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 Relevant Issuer.

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 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 and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Relevant 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 Relevant Issuer (either in whole or in part) prior to their stated maturity at the option of the Relevant Issuer and/or the holders of the Notes.

Redemption upon Cessation or Suspension of Trading of Shares : In the event that (1) the shares of PREHL cease to be traded on the SGX-ST or (2) trading in the shares of PREHL on the SGX-ST is suspended for a continuous period of more than 10 market days (each, a “**Cessation Event**”), the Relevant Issuer shall, at the option of the 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 60 days after the Effective Date (as defined in Condition 6(g)(i) of the Notes). The Relevant Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the relevant Cessation Event (provided that any failure by the Relevant Issuer to give such notice shall not prejudice any Noteholder of such option). 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 Transfer Agent at its specified office, together with an Exercise Notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent or the relevant Issuer (as applicable), no later than 21 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Relevant Issuer.

If a Cessation Event occurs and the aggregate principal amount of the Notes in respect of which no option has been exercised in accordance with Condition 6(g)(i) as at the date falling 22 days after the Effective Date is less than 15 per cent. of the aggregate principal amount originally issued, the Relevant Issuer may at any time

after the date falling 22 days after the Effective Date, on giving not less than 30 days' nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), redeem the Notes at their Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption).

Redemption for Taxation
Reasons

: If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, 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(j) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Relevant 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 Relevant 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 Relevant 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 in the case of
Minimal Outstanding Amount

: If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, 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 together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Negative Pledge of PREHL : PREHL has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of the Principal Subsidiaries (as defined in the Trust Deed) will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (“**Encumbrance**”) upon the whole or any part of its undertaking, assets or revenues, present or future (“**Assets**”), to secure any Investment Securities (as defined in Condition 4(a) of the Notes) of PREHL or to secure any guarantee or indemnity by PREHL in respect of any Investment Securities of PREHL unless, at the same time or prior thereto, the obligations of PREHL under the Notes and the Trust Deed (a) are secured equally and rateably therewith or (b) have the benefit of such other security guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

The above paragraph shall not apply to:

- (i) any Encumbrance over Assets acquired by PREHL or any of the Principal Subsidiaries where such Encumbrance is created solely for the purpose of securing an issue of Investment Securities, all or substantially all of the proceeds of which are used to finance the acquisition of such Assets by PREHL or, as the case may be, such Principal Subsidiary, provided that the Encumbrance is limited only to the Assets being acquired and does not extend to any other Assets of PREHL or, as the case may be, such Principal Subsidiary; or
- (ii) any Encumbrance over a Principal Subsidiary’s Assets securing Investment Securities which is existing at the time such entity becomes a Principal Subsidiary by way of acquisition by PREHL or any of its subsidiaries, provided that (1) the Encumbrance is limited only to the Assets of the entity which becomes a Principal Subsidiary and does not extend to the Assets of PREHL and (2) such Encumbrance is not created in contemplation of the acquisition of such Principal Subsidiary by PREHL.

Negative Pledge of PTPL : PTPL has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries will, create or permit to subsist any Encumbrance upon the whole or any part of its Assets, to secure any Investment Securities of PTPL or to secure any guarantee or indemnity by PTPL in respect of any Investment Securities of PTPL unless, at the same time or prior thereto, the obligations of PTPL under the Notes and the

Trust Deed (a) are secured equally and rateably therewith or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution of the Noteholders.

The above paragraph shall not apply to:

- (i) any Encumbrance over Assets acquired by PTPL or any of its subsidiaries where such Encumbrance is created solely for the purpose of securing an issue of Investment Securities, all or substantially all of the proceeds of which are used to finance the acquisition of such Assets by PTPL or, as the case may be, such subsidiary, provided that the Encumbrance is limited only to the Assets being acquired and does not extend to any other Assets of PTPL or, as the case may be, such subsidiary; or
- (ii) any Encumbrance over a subsidiary's Assets securing Investment Securities which is existing at the time such entity becomes a subsidiary by way of acquisition by PTPL or any of its subsidiaries, provided that (1) the Encumbrance is limited only to the Assets of the entity which becomes a subsidiary and does not extend to the Assets of PTPL and (2) such Encumbrance is not created in contemplation of the acquisition of such subsidiary by PTPL.

Financial Covenants : PREHL has covenanted with the Trustee in the Trust Deed that for so long as any of the Notes remains outstanding, it will ensure that:

- (a) the Consolidated Total Equity (as defined in Condition 4(b) of the Notes) shall not at any time be less than S\$900,000,000; and
- (b) the ratio of the Consolidated Net Debt (as defined in Condition 4(b) of the Notes) to Consolidated Total Equity shall not at any time be more than 1.5:1.

Non-Disposal Clause : Each Issuer and the Guarantor has covenanted with the Trustee in the Trust Deed that each of them will not, and will ensure that none of its subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 17.28 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 it. The following disposals shall not be taken into account under Clause 17.28 of the Trust Deed:

- (a) disposals in the ordinary course of business on arm's length and on normal commercial terms;
- (b) any disposal of assets which are obsolete, excess or no longer required for the purpose of its business;
- (c) any payment of cash and/or shares or (as the case may be) units as consideration for the acquisition of any asset on arm's length basis and on normal commercial terms;
- (d) any exchange of assets for other assets of a similar nature and value and/or cash;
- (e) in the case of a subsidiary only, any disposal for the purpose of and followed by a demerger, consolidation, reorganisation, amalgamation, merger, reconstruction or transfer of assets or shares to another member of the Group, in each case, not involving insolvency and where such event is not likely to have a material adverse effect on the Relevant Issuer or the Guarantor; and
- (f) any disposal approved by the Securityholders by way of an Extraordinary Resolution,

and for the purposes of Clause 17.28 of the Trust Deed, a disposal of a "substantial part" of the assets of the Group means the disposal of any asset or assets which (individually or in the aggregate) amount to at least 15 per cent. of the Value of the assets of the Group, and "**Value**" means (in relation to assets which are real property) the fair market value of such asset as stated in the latest valuation report prepared by a professional independent valuer.

Events of Default	:	See Condition 10 of the Notes.
Taxation	:	All payments in respect of the Notes and the Coupons by or on behalf of the Relevant 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 Relevant 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, save for certain exceptions. For further details, please see the section on “Singapore Taxation” herein.

- Listing : Each Series of the Notes may, if so agreed between the Relevant Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Relevant 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 Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies).
- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on “Subscription, Purchase and Distribution” herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
- Governing Law : The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

PERPETUAL SECURITIES

- Currency : Subject to compliance with all relevant laws, regulations and directives, Perpetual Securities may be issued in Singapore dollars or any other currency agreed between the Relevant Issuer and the relevant Dealer(s).
- Method of Issue : Perpetual Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
- Issue Price : Perpetual Securities may be issued at par or at a discount, or premium, to par.
- No Fixed Maturity : The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Relevant Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the terms and conditions of the Perpetual Securities.

- Distribution Basis : 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 Relevant 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 Relevant 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 Relevant Issuer and the relevant Dealer(s).
- Distribution Discretion : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Relevant 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 and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.
- If Dividend Pusher is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Relevant 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:
- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Relevant Issuer's Junior Obligations (as defined in the Conditions of the Perpetual Securities) or the

Guarantor's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Relevant Issuer's Parity Obligations (as defined in the Conditions of the Perpetual Securities) or any of the Guarantor's Parity Obligations; or

- (ii) any of the Relevant Issuer's Junior Obligations or the Guarantor's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Relevant Issuer's Parity Obligations or any of the Guarantor's Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Parity Obligations of the Relevant Issuer or, as the case may be, the Guarantor for Junior Obligations of the Relevant Issuer or, as the case may be, the Guarantor and/or as 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 and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Relevant Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Relevant 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 Relevant Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities.

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

If Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Relevant 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 Relevant Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

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

Restrictions in the case of Non-Payment :

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

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Relevant Issuer’s or the Guarantor’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Relevant Issuer’s or the Guarantor’s 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 Relevant Issuer's or the Guarantor's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Relevant Issuer's or Guarantor's 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 Parity Obligations of the Relevant Issuer or, as the case may be, the Guarantor for Junior Obligations of the Relevant Issuer or, as the case may be, the Guarantor, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Relevant 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 Relevant 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.

Form and Denomination of
Perpetual Securities

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

- Custody of the Perpetual Securities : Perpetual Securities which are to be listed on the SGX-ST may be cleared through CDP, Euroclear and/or Clearstream, Luxembourg. Perpetual Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Perpetual Securities which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg.
- Status of the Senior Perpetual Securities and the Senior Guarantee : The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Relevant 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 Relevant Issuer.
- 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 unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.
- Status of the Subordinated Perpetual Securities and the Subordinated Guarantee : The Subordinated Perpetual Securities and Coupons relating to them will constitute direct, unconditional, subordinated and unsecured obligations of the Relevant 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 Relevant Issuer.
- 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.
- Subordination of the Subordinated Perpetual Securities and the Subordinated Guarantee : Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Relevant Issuer or the Guarantor, 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 or, as the case may be, 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 Relevant Issuer or, as the case may be, the Guarantor but at least *pari passu* with all other subordinated obligations of the Relevant Issuer or, as the case may be, the Guarantor that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities or, as the case may be, the Subordinated Guarantee and in priority to the claims of shareholders of the Relevant Issuer or, as the case may be, the Guarantor and/or as otherwise specified in the applicable Pricing Supplement.

Set-off in relation to the Subordinated Perpetual Securities and the Subordinated Guarantee

: 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 Relevant Issuer or, as the case may be, the Guarantor in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them or, as the case may be, 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 Relevant Issuer or, as the case may be, 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 Relevant Issuer or, as the case may be, the Guarantor in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them or, as the case may be, 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 Relevant Issuer or, as the case may be, the Guarantor (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Relevant Issuer or, as the case may be, the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the Relevant Issuer or, as the case may be, the Guarantor (or the liquidator or, as appropriate, administrator of the Relevant Issuer or, as the case may be, the Guarantor) and accordingly any such discharge shall be deemed not to have taken place.

Redemption at the Option of the Relevant Issuer

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Relevant Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their

Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

Redemption for Taxation
Reasons

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

- (i) the Relevant 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 Act (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 Relevant Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or
- (ii) (1) the Relevant 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 (2) such obligations

cannot be avoided by the Relevant 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 Relevant 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.

Redemption for Accounting Reasons : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (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 SFRS or any other accounting standards that may replace SFRS for the purposes of the financial statements of the Relevant Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Relevant Issuer pursuant to the Relevant Accounting Standard.

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

(i) the Relevant 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 otherwise on or after the Issue Date;

- (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

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

- (ii) the Relevant 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.

Redemption in the case of Minimal Outstanding Amount

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

- Limited right to institute proceedings in relation to Perpetual Securities : The right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Relevant 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 bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Relevant Issuer and/or the Guarantor or (ii) the Relevant Issuer fails to make payment in respect of the Perpetual Securities when due or the Guarantor fails to pay any amount under the Guarantee when due and, in each case, such failure continues for a period of three business days, the Relevant Issuer or, as the case may be, the Guarantor shall be deemed to be in default under the Trust Deed and the Perpetual Securities 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 Relevant Issuer and/or the Guarantor and/or prove in the winding-up of the Relevant Issuer and/or the Guarantor and/or claim in the liquidation of the Relevant Issuer and/or the Guarantor for such payment.
- Taxation : All payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Relevant 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 Relevant 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, save for certain exceptions. For further details, please see the section on “Singapore Taxation” herein.
- Listing : Each Series of the Perpetual Securities may, if so agreed between the Relevant Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Relevant 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 Perpetual Securities is approved, for so long as such Perpetual Securities are listed on the SGX-ST and the

rules of the SGX-ST so require, such Perpetual Securities will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies).

- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, see the section on “Subscription, Purchase and Distribution” herein. Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.
- Governing Law : The Programme and any Perpetual Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, 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 22 January 2015 made between (1) Perennial Real Estate Holdings Limited (“**PREHL**”) and Perennial Treasury Pte. Ltd. (“**PTPL**”), as issuers (each, an “**Issuer**” and together, the “**Issuers**”), (2) PREHL, in its capacity as guarantor for Securities (as defined in the Trust Deed) issued by PTPL (the “**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 for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended, restated or supplemented from time to time, the “**PREHL Deed of Covenant**”) dated 22 January 2015 executed by PREHL, relating to Notes cleared or to be cleared through the CDP System (as defined in the Trust Deed) (“**CDP Notes**”) issued by PREHL, and a deed of covenant (as amended, restated or supplemented from time to time, the “**PTPL Deed of Covenant**”) dated 22 January 2015 executed by PTPL, relating to CDP Notes issued by PTPL (the PREHL Deed of Covenant and the PTPL Deed of Covenant together, the “**Deeds of Covenant**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuers have entered into an Agency Agreement (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) dated 22 January 2015 made between (1) the Issuers, as issuers, (2) the Guarantor, in its capacity as guarantor for Securities issued by PTPL, (3) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the “**Principal Paying Agent**”), transfer agent in respect of CDP Notes (in such capacity, the “**CDP Transfer Agent**”) and registrar in respect of CDP Notes (in such capacity, the “**CDP Registrar**”), (4) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Notes cleared or to be cleared through a clearing system other than the CDP System (“**Non-CDP Notes**”) (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 transfer agent in respect of Non-CDP Notes (in such capacity, the “**Non-CDP Transfer Agent**” and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the “**Transfer Agents**”), (5) Deutsche Bank Luxembourg S.A., as registrar in respect of Non-CDP Notes (in such capacity, the “**Non-CDP Registrar**”, and together with the CDP Registrar, the “**Registrars**”), and (6) the Trustee, as trustee for the Noteholders. The Noteholders and the holders (the “**Couponholders**”) of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed) and the relevant Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Paying Agent, (b) the Registrar shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Registrar and (c) the Transfer Agent shall, in the case of a Series of CDP Notes, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Notes, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Issues of Notes by PTPL will be guaranteed by PREHL. References in these Conditions to the Guarantor and the Guarantee (as defined in the Trust Deed) shall apply only to Notes issued by PTPL.

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 respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

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

(b) Title

- (i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

- (iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and/or The Central Depository (Pte) Limited (the “**Depository**”), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below), all other agents of the relevant 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 relevant Issuer, the Guarantor, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the relevant 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 will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository. For so long as any of the Notes is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by the Depository, the record date for the purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Note shall, unless otherwise specified by the relevant Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).
- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, “**Noteholder**” means 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 (1) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the relevant Issuer) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer or, as the case may be, the Guarantor, with the prior written approval of the Registrar and the Trustee and (in the case of any change proposed by the Registrar) with the prior written approval of the relevant Issuer, the Guarantor and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday or Sunday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the relevant Issuer, the Guarantor, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the relevant 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 relevant 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 relevant Issuer.

(b) Guarantee

The payment of all sums expressed to be payable by PTPL 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 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 unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

4. Negative Pledge and Financial Covenants

(a) Negative Pledge

- (i) PREHL has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of the Principal Subsidiaries will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Encumbrance**") upon the whole or any part of its undertaking, assets or revenues, present or future ("**Assets**"), to secure any Investment Securities (as defined below) of PREHL or to secure any guarantee or indemnity by PREHL in respect of any Investment Securities of PREHL unless, at the same time or prior thereto, the obligations of PREHL under the Notes and the Trust Deed (1) are secured equally and rateably therewith or (2) have the benefit of such other security guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
- (ii) Condition 4(a)(i) shall not apply to:
 - (1) any Encumbrance over Assets acquired by PREHL or any of the Principal Subsidiaries where such Encumbrance is created solely for the purpose of securing an issue of Investment Securities, all or substantially all of the proceeds of which are used to finance the acquisition of such Assets by PREHL or, as the

case may be, such Principal Subsidiary, provided that the Encumbrance is limited only to the Assets being acquired and does not extend to any other Assets of PREHL or, as the case may be, such Principal Subsidiary; or

- (2) any Encumbrance over a Principal Subsidiary's Assets securing Investment Securities which is existing at the time such entity becomes a Principal Subsidiary by way of acquisition by PREHL or any of its subsidiaries, provided that (A) the Encumbrance is limited only to the Assets of the entity which becomes a Principal Subsidiary and does not extend to the Assets of PREHL and (B) such Encumbrance is not created in contemplation of the acquisition of such Principal Subsidiary by PREHL.
- (iii) PTPL has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries will, create or permit to subsist any Encumbrance upon the whole or any part of its Assets, to secure any Investment Securities of PTPL or to secure any guarantee or indemnity by PTPL in respect of any Investment Securities of PTPL unless, at the same time or prior thereto, the obligations of PTPL under the Notes and the Trust Deed (1) are secured equally and rateably therewith or (2) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution of the Noteholders.
- (iv) Condition 4(a)(iii) shall not apply to:
- (1) any Encumbrance over Assets acquired by PTPL or any of its subsidiaries where such Encumbrance is created solely for the purpose of securing an issue of Investment Securities, all or substantially all of the proceeds of which are used to finance the acquisition of such Assets by PTPL or, as the case may be, such subsidiary, provided that the Encumbrance is limited only to the Assets being acquired and does not extend to any other Assets of PTPL or, as the case may be, such subsidiary; or
 - (2) any Encumbrance over a subsidiary's Assets securing Investment Securities which is existing at the time such entity becomes a subsidiary by way of acquisition by PTPL or any of its subsidiaries, provided that (A) the Encumbrance is limited only to the Assets of the entity which becomes a subsidiary and does not extend to the Assets of PTPL and (B) such Encumbrance is not created in contemplation of the acquisition of such subsidiary by PTPL.

For the purposes of the Trust Deed and these Conditions:

- (I) **"Investment Securities"** means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes, loan stock or other investment securities which are for the time being, or will be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or other securities market;
- (II) **"Principal Subsidiary"** means, at any time, any subsidiary of PREHL whose total assets, as shown by the accounts (consolidated in the case of a subsidiary which itself has subsidiaries) of such subsidiary, based upon which (in respect of the period from (and including) the date of the Trust Deed to (but excluding) the date on which audited consolidated accounts of the Group (as defined in the Trust Deed) first become publicly available) the unaudited pro forma consolidated financial information of the Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 as set out in the information memorandum dated 22 January 2015 issued by the Issuers and the Guarantor or, when publicly available, the unaudited consolidated accounts of

the Group for the six months ended 31 December 2014 and (from (and including) the date on which audited consolidated accounts of the Group first become publicly available) the latest audited consolidated accounts of the Group have been prepared, are at least 20 per cent. of the total assets of the Group as shown by such unaudited pro forma consolidated financial information, unaudited consolidated accounts or, as the case may be, audited consolidated accounts,

Provided that if any such subsidiary (the “**transferor**”) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of PREHL (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 PREHL) shall thereupon become a Principal Subsidiary; and
- (bb) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is PREHL) 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 show the total assets as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries) based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets of the Group, as shown by such audited consolidated accounts; and
 - (y) a report by the Auditors (as defined in the Trust Deed) as described below which shows the total assets of such subsidiary to be less than 20 per cent. of the total assets of the Group, as shown by such report of the Auditors. A report by the Auditors, who shall also be responsible for producing any pro forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and
- (III) “**subsidiary**” has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

(b) Financial Covenants

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

- (i) the Consolidated Total Equity shall not at any time be less than S\$900,000,000; and
- (ii) the ratio of the Consolidated Net Debt to Consolidated Total Equity shall not at any time be more than 1.5:1.

For the purposes of the Trust Deed and these Conditions:

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

- (A) bank overdrafts and all other indebtedness in respect of any borrowings;
- (B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;
- (C) the liabilities of PREHL 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 are regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group,

but:

- (I) less cash and cash equivalents (including fixed deposits) as set out in the latest audited or, as the case may be, unaudited consolidated accounts of the Group; and
- (II) excluding bonds and/or redeemable preference shares which are issued by any member of the Group (other than PREHL and PTPL) which fulfils the following conditions:
 - (aa) such bonds that (x) are held by equity investors in connection with any project of any member (whether alone or jointly with other third parties) of the Group (other than PREHL and PTPL) (the **“Project”**) and (y) are subordinated to the rights of the financiers to any financing granted for the purposes of such Project; and
 - (bb) such redeemable preference shares are held by equity investors in connection with any Project;

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

- (A) the amount paid up or credited as paid up on the issued share capital of PREHL;
- (B) the amounts standing to the credit of the capital and revenue reserves (including revaluation reserves and profit and loss account) of the Group on a consolidated basis; and
- (C) the amounts attributable to the non-controlling interests of the Group,

all as shown in the then latest audited or, as the case may be, 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 paragraph (B) above of the Group since the date of the latest audited or, as the case may be, 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, as the case may be, 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; and
 - (bb) any debit balances on consolidated profit and loss account.

For the avoidance of doubt, for the purposes of these definitions, any perpetual securities issued by either Issuer or any other member of the Group which are regarded by generally accepted accounting principles in Singapore as “equity” shall be treated as such (and not as debt).

5. Interest and Other Calculations

(I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

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

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

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

(b) Calculations

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

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

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

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date (**“Interest Payment Date”**). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the **“Specified Number of Months”**) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

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

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

(b) Rate of Interest – Floating Rate Notes

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

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

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the 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 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, 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 quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate 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 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 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 Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, 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 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 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 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 is a Screen Page, 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 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 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 relevant Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest – Variable Rate Notes

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
 - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the relevant Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between the relevant Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the relevant Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between the relevant Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate

Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the relevant Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

- (2) if the relevant Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The relevant Issuer has undertaken to the Principal Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined, but not later than 10.30 a.m. (Singapore time) on the next following business day:
- (1) notify, or cause the Guarantor to notify, the Principal Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

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

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

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the relevant Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate

Note on the last day of an Interest Period relating to such Variable Rate Note, the relevant Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

- (vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

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

“business day” means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent’s specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Notes denominated in Euro) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euro and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euro) 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 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;

“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;

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

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

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

“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;

“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 relevant 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 Dealer” means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the relevant Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

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

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

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

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

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

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

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

(b) Fixed Rate Period

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

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

(c) Floating Rate Period

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date (“**Interest Payment Date**”). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.
- (ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive

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

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

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(j)). 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(j)).

(V) Calculations

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

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note 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) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Trustee, the relevant 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 Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

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

(d) Calculation Agent and Reference Banks

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

6. Redemption and Purchase

(a) Final Redemption

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

(b) Purchase at the Option of Issuer

If so provided hereon, the relevant Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the relevant Issuer accordingly. To exercise such option, the relevant 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 for cancellation. The Notes so purchased, while held by or on behalf of the relevant 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 relevant Issuer in such place and in such manner as may be agreed between the relevant 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 relevant Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

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

- (ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the relevant Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the relevant 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 Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant 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 relevant 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 Issuer

If so provided hereon, the relevant 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 relevant Issuer in such place and in such manner as may be agreed between the relevant Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the relevant Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

If so provided hereon, the relevant 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 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 Transfer Agent or the relevant 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 relevant Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the relevant 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(j) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the relevant 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 relevant 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 relevant Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(f), the relevant Issuer shall deliver to the Trustee and the Principal Paying Agent:

- (1) a certificate signed by a director or a duly authorised signatory of the relevant Issuer or, as the case may be, the Guarantor stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred; and
- (2) an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the relevant 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 or amendment.

(g) Redemption upon Cessation or Suspension of Trading of Shares

- (i) In the event that (1) the shares of PREHL cease to be traded on the SGX-ST (as defined in the Trust Deed) or (2) trading in the shares of PREHL on the SGX-ST is suspended for a continuous period of more than 10 market days (each, a “**Cessation Event**”), the relevant Issuer shall, at the option of the 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 60 days after the Effective Date. The relevant Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the relevant Cessation Event (provided that any failure by the relevant Issuer to give such notice shall not prejudice any Noteholder of such option). 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 Transfer Agent at its specified office, together with an Exercise Notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent or the relevant Issuer (as applicable), no later than 21 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

In this Condition 6(g),

- (A) “**Effective Date**” means (where the shares of PREHL cease to be traded on the SGX-ST) the date of cessation of trading or (where trading in the shares of PREHL on the SGX-ST is suspended for a continuous period of more than 10 market days) the business day immediately following the expiry of such continuous period of 10 market days; and
 - (B) “**market day**” means a day on which the SGX-ST is open for securities trading.
- (ii) If a Cessation Event occurs and the aggregate principal amount of the Notes in respect of which no option has been exercised in accordance with Condition 6(g)(i) as at the date falling 22 days after the Effective Date is less than 15 per cent. of the aggregate

principal amount originally issued, the relevant Issuer may at any time after the date falling 22 days after the Effective Date, on giving not less than 30 days' nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), redeem the Notes at their Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption).

(h) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Notes may be redeemed at the option of the relevant 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 together with interest accrued to (but excluding) the date fixed for redemption if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

(i) Purchases

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

Notes purchased by the relevant Issuer, the Guarantor and/or any of their respective subsidiaries may be surrendered by the purchaser through the relevant 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 relevant Issuer, the Guarantor or, as the case may be, the relevant subsidiary 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.

(j) Early Redemption of Zero Coupon Notes

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

the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

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

(k) Cancellation

All Notes purchased by or on behalf of the relevant Issuer, the Guarantor and/or any of their respective subsidiaries 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 relevant 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 Coupons, as the case may be, 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 any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. 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 any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The 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 initially appointed by the Issuers and the Guarantor and their specified offices are listed below. The relevant 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 CDP Transfer Agent, the Non-CDP Transfer Agent, any other Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents and Calculation 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 Transfer Agent in relation to Registered Notes, (iii) a Registrar in relation to Registered Notes and (iv) a Calculation Agent where the Conditions so require.

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

The Agency Agreement may be amended by the Issuers, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of any 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 Issuers, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer 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 Issuers, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, 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 (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 five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unexpired Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all 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 relevant 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 relevant 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 two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the relevant Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the relevant Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by or on behalf of the relevant 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 relevant 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.

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

9. Prescription

Claims against the relevant 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 five years from the appropriate Relevant Date for payment.

10. Events of Default

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

- (a) the relevant Issuer or the Guarantor does not pay any sum payable by it under any of the Notes when due at the place at and in the currency in which it is expressed to be payable and such default continues for a period of three business days;
- (b) the relevant Issuer or the Guarantor does not perform or comply with any one or more of their respective obligations (other than the payment obligation of the relevant Issuer or the Guarantor referred to in paragraph (a)) under any of the Issue Documents or any of the Notes and if that default is capable of remedy, it is not remedied within 14 days of the earlier of (i) the Trustee giving notice to the relevant Issuer or, as the case may be, the Guarantor requiring the same to be remedied and (ii) the relevant Issuer or, as the case may be, the Guarantor becoming aware of such failure to perform or comply;
- (c) any representation, warranty or statement by the relevant 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 the circumstances resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 14 days of the earlier of (i) the Trustee giving notice to the relevant Issuer or, as the case may be, the Guarantor requiring the same to be remedied and (ii) the relevant Issuer or, as the case may be, the Guarantor becoming aware of such non-compliance or incorrectness;
- (d) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;
- (e)
 - (i) any other indebtedness of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual default, event of default or the like (however described) or is not paid when due within any originally applicable grace period specified in any agreement relating to that indebtedness or, as a result of any actual default, event of default or the like (however described), any facility relating to any such indebtedness is cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or
 - (ii) the relevant Issuer, the Guarantor or any of the Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default will occur under this paragraph (e)(i) or (e)(ii) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned in this paragraph (e)(i) or (e)(ii) has or have occurred equals or exceeds S\$50,000,000 or its equivalent in any other currency(ies);

- (f) the relevant Issuer, the Guarantor or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any part which it will otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the indebtedness of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries;
- (g) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries and is not discharged within 30 days;
- (h) any security on or over the whole or any material part of the property or assets of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries becomes enforceable;
- (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 for the winding-up or dissolution of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries (except (i) for the purposes of a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary, where such winding-up does not involve insolvency and would not have a material adverse effect on the relevant Issuer or the Guarantor) or for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries or over the whole or any material part of the property or assets of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries;
- (j) the relevant Issuer, the Guarantor or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business (except (i) for the purposes of and followed by a reconstruction, amalgamation, merger, consolidation or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary, where such cessation does not involve insolvency and would not have a material adverse effect on the relevant Issuer or the Guarantor) or (otherwise than as permitted by Clause 17.28 of the Trust Deed) disposes or threatens to dispose of the whole or any part of its property or assets;
- (k) any step is taken by any person acting under the authority of any national, regional or local governmental authority or agency with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries;
- (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 16.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

- (m) it is or will become unlawful for the relevant Issuer or the Guarantor to perform or comply with any one or more of their respective 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 relevant Issuer or the Guarantor not) to be the legal and valid obligations of the relevant Issuer or the Guarantor, binding upon it in accordance with its terms;
- (o) any litigation, arbitration or administrative proceeding against the relevant Issuer, the Guarantor or any of the Principal Subsidiaries (other than those of a frivolous or vexatious nature which are discharged within 45 days of its commencement) is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the relevant Issuer or the Guarantor under any of the Issue Documents or any of the Notes or (ii) which has or is likely to have a material adverse effect on the relevant Issuer or the Guarantor;
- (p) 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);
- (q) the relevant Issuer, the Guarantor or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; and
- (r) for any reason PREHL ceases to own (directly or indirectly) the whole of the issued share capital for the time being of PTPL.

11. Enforcement of Rights

At any time after an Event of Default shall have occurred or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the relevant Issuer or the Guarantor as it may think fit to enforce repayment of the Notes, together with accrued interest, and/or to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the relevant 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 relevant Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution

proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (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 Euroclear and/or 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 and 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, if the Trustee so requires, such modification, authorisation or waiver shall be notified 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 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, as the case may be, Transfer Agent as may from time to time be designated by the relevant 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 relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the relevant Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

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 or any corporation related to it to enter into business transactions with the relevant 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 relevant 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 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 shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, shall 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 and/or the Depository, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require or permit, 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 and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the relevant 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 and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

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

17. Contracts (Rights of Third Parties) Act

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

18. Governing Law and Jurisdiction

(a) Governing Law

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

(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, any Notes, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, Notes, Coupons, Talons or the Guarantee may be brought in such courts. Each of the Issuers and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “**Perpetual Securities**” are to the Perpetual Securities of one Series only, 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 22 January 2015 made between (1) Perennial Real Estate Holdings Limited (“**PREHL**”) and Perennial Treasury Pte. Ltd. (“**PTPL**”), as issuers (each, an “**Issuer**” and together, the “**Issuers**”), (2) PREHL, in its capacity as guarantor for Securities (as defined in the Trust Deed) issued by PTPL (the “**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 for the Perpetual Securityholders (as defined below), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant (as amended, restated or supplemented from time to time, the “**PREHL Deed of Covenant**”) dated 22 January 2015 executed by PREHL, relating to the Perpetual Securities cleared or to be cleared through the CDP System (as defined in the Trust Deed) (“**CDP Perpetual Securities**”) issued by PREHL and a deed of covenant (as amended, restated or supplemented from time to time, the “**PTPL Deed of Covenant**”) dated 22 January 2015 executed by PTPL, relating to CDP Perpetual Securities issued by PTPL (the PREHL Deed of Covenant and the PTPL Deed of Covenant together, the “**Deeds of Covenant**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuers have entered into an Agency Agreement (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) dated 22 January 2015 made between (1) the Issuers, as issuers, (2) the Guarantor, in its capacity as guarantor for Securities issued by PTPL, (3) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the “**Principal Paying Agent**”), transfer agent in respect of CDP Perpetual Securities (in such capacity, the “**CDP Transfer Agent**”) and registrar in respect of CDP Perpetual Securities (in such capacity, the “**CDP Registrar**”), (4) Deutsche Bank AG, Hong Kong Branch, as paying agent in respect of Perpetual Securities cleared or to be cleared through a clearing system other than the CDP System (“**Non-CDP Perpetual Securities**”) (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 transfer agent in respect of Non-CDP Perpetual Securities (in such capacity, the “**Non-CDP Transfer Agent**” and, together with the CDP Transfer Agent and any other transfer agents that may be appointed, the “**Transfer Agents**”), (5) Deutsche Bank Luxembourg S.A., as registrar in respect of Non-CDP Perpetual Securities (in such capacity, the “**Non-CDP Registrar**”, and together with the CDP Registrar, the “**Registrars**”), and (6) the Trustee, as trustee for the Perpetual Securityholders. The Perpetual Securityholders and the holders (the “**Couponholders**”) of the distribution coupons (the “**Coupons**”) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons

(the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed) and the relevant Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Paying Agent, (b) the Registrar shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Registrar and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Registrar, and (c) the Transfer Agent shall, in the case of a Series of CDP Perpetual Securities, be deemed to be a reference to the CDP Transfer Agent and, in the case of a Series of Non-CDP Perpetual Securities, be deemed to be a reference to the Non-CDP Transfer Agent, and (unless the context otherwise requires) all such references shall be construed accordingly.

Issues of Perpetual Securities by PTPL will be guaranteed by PREHL. References in these Conditions to the Guarantor and the Guarantee (as defined in the Trust Deed) shall apply only to Perpetual Securities issued by PTPL.

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 respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the “**Perpetual Securities**”) are issued in bearer form (“**Bearer Perpetual Securities**”) or in registered form (“**Registered Perpetual Securities**”), in each case in the Denomination Amount shown hereon.
- (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 relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

- (iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below), all other agents of the relevant 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 relevant Issuer, the Guarantor, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the relevant 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 will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository. For so long as any of the Perpetual Securities is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by the Depository, the record date for the purposes of determining entitlements to any payment of principal, distribution and any other amounts in respect of the Perpetual Security shall, unless otherwise specified by the relevant Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).
- (iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Perpetual Securityholder**" means 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 (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

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

- (a) **No Exchange of Perpetual Securities:** Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.
- (b) **Transfer of Registered Perpetual Securities:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the relevant Issuer) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the relevant Issuer or, as the case may be, the Guarantor, with the prior written approval of the Registrar and the Trustee and (in the case of any change proposed by the Registrar) with the prior written approval of the relevant Issuer, the Guarantor and the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Perpetual Securities:** In the case of an exercise of an Issuer's option in respect of, or a partial redemption of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this

Condition 2(d), “**business day**” means a day (other than a Saturday or Sunday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

- (e) **Transfers Free of Charge:** Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the relevant Issuer, the Guarantor, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.
- (f) **Closed Periods:** No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the relevant 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 relevant 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 relevant Issuer.

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

The payment of all sums expressed to be payable by PTPL 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 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 relevant 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 relevant 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 relevant Issuer or the Guarantor, any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the relevant 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 relevant 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 relevant Issuer or, as the case may be, the Guarantor and/or, in the case of an instrument or security guaranteed by the relevant Issuer or the Guarantor, the issuer thereof.

(ii) **Ranking of claims on winding-up – relevant Issuer**

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

(iii) **No set-off – relevant 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 relevant 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 relevant 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 relevant 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 relevant Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the relevant Issuer) and, until such time as payment is made, shall hold such amount in trust for the relevant Issuer (or the liquidator or, as appropriate, administrator of the relevant 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 PTPL 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

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its Calculation Amount (as defined in Condition 4(II)(c)) 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 Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

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

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

(b) Distribution Rate

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

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

For the purposes of these Conditions:

“Reset Distribution Rate” 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); and

“Swap Offer Rate” means:

- (aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the relevant 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 relevant 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 is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

(c) Calculation of Reset Distribution Rate

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

(d) Notification of Relevant Reset Distribution Rate

The Calculation Agent will cause the applicable Reset Distribution Rate to be notified to the Principal Paying Agent, the Trustee, the relevant Issuer and the Guarantor as soon as possible after its determination but in no event later than the fourth business day thereafter. The Calculation Agent shall cause notice of the then applicable Reset Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof.

(e) Determination or Calculation by Trustee

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

(f) Calculations

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

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

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

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

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

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

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

(b) Rate of Distribution – Floating Rate Perpetual Securities

- (i) Each Floating Rate Perpetual Security confers a right to receive distribution 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) stated on the face of such Perpetual Security. The “Spread” is the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

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

- (ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the 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);

- (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 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 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 quotations, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate 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 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 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);

- (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 11:00 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 Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any);
 - (B) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, 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 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 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 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

(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 is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate 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 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

(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 relevant Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) Definitions

As used in these Conditions:

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

“business day” means, in respect of each Perpetual Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent’s specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Perpetual Securities denominated in Euro) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euro and (3) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euro) 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;

“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;

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

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

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

“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;

“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 relevant 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, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

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

(III) Calculations

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

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

(b) Notification

The Calculation Agent will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Principal Paying Agent, the Trustee, the relevant 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 Perpetual Securities, the Calculation Agent will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event (as defined below) occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be

calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

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

(d) Calculation Agent and Reference Banks

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

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the relevant 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 and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is set out hereon, the relevant 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 any of the relevant Issuer’s Junior Obligations or the Guarantor’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the relevant Issuer’s Parity Obligations or any of the Guarantor’s Parity Obligations; or
- (ii) any of the relevant Issuer’s Junior Obligations or the Guarantor’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in relation to Subordinated Perpetual Securities only, (except

on a *pro rata* basis) any of the relevant Issuer's Parity Obligations or any of the Guarantor's Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

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

In these Conditions, "**Junior Obligation**" means, in relation to the relevant 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, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the relevant 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.

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 a director or a duly authorised signatory of the relevant 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 hereon and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the relevant Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the relevant Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

- (i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The relevant Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The relevant 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 relevant Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

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

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

(d) Restrictions in the case of Non-Payment

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

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the relevant Issuer’s or the Guarantor’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the relevant Issuer’s or the Guarantor’s 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 relevant Issuer’s or the Guarantor’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the relevant Issuer’s or Guarantor’s 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 Parity Obligations of the relevant Issuer or, as the case may be, the Guarantor for Junior Obligations of the relevant Issuer or, as the case may be, the Guarantor, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the relevant 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 relevant 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 relevant 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 hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the relevant Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
 - (2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) or following the occurrence of a Compulsory Distribution Payment Event; and
 - (3) the date such amount becomes due under Condition 9 or on a winding-up of the relevant Issuer or the Guarantor.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the relevant 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 relevant Issuer under the Perpetual Securities.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the relevant 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 Issuer

If so provided hereon, the relevant Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption

Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

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

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

(c) Redemption for Taxation Reasons

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

- (i) the relevant 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 Act (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 relevant Issuer for the purposes of the withholding tax exemption on interest for “qualifying debt securities” under the ITA; or
- (ii) (1) the relevant 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 relevant 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 relevant 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 relevant Issuer shall deliver to the Trustee and the Principal Paying Agent:

- (A) a certificate signed by a director or a duly authorised signatory of the relevant Issuer or, as the case may be, the Guarantor stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant 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 relevant 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 or amendment.

Upon the expiry of any such notice as is referred to in this Condition 5(c), the relevant 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 relevant Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time 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 ("**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the financial statements of the relevant Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the relevant Issuer pursuant to the Relevant Accounting Standard.

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

- (i) a certificate signed by a director or a duly authorised signatory of the relevant Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the relevant 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.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the relevant 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 relevant Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the relevant 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 otherwise on or after the Issue Date;
 - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
 - (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

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

- (ii) the relevant 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 relevant Issuer shall deliver or procure that there is delivered to the Trustee and the Principal Paying Agent:

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

Upon the expiry of any such notice as is referred to in this Condition 5(e), the relevant 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 relevant Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

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

(g) Purchases

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

Perpetual Securities purchased by the relevant Issuer, the Guarantor and/or any of their respective subsidiaries may be surrendered by the purchaser through the relevant 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 relevant Issuer, the Guarantor or, as the case may be, the relevant subsidiary, 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) Cancellation

All Perpetual Securities purchased by or on behalf of the relevant Issuer, the Guarantor and/or any of their respective subsidiaries may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the 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 relevant 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 Coupons, as the case may be, 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 any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).
- (ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any 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 any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The 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 initially appointed by the Issuers and the Guarantor and their specified offices are listed below. The relevant 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 CDP Transfer Agent, the Non-CDP Transfer Agent, any other Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents and Calculation 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 Transfer Agent in relation to Registered Perpetual Securities, (iii) a Registrar in relation to Registered Perpetual Securities and (iv) a Calculation Agent where the Conditions so require.

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

The Agency Agreement may be amended by the Issuers, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of any 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 Issuers, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer 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 Issuers, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, adversely affect the interests of the holders of the Perpetual Securities or the Coupons.

(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 relevant 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 or on behalf of the relevant 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 relevant 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.

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

8. Prescription

Claims against the relevant 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 winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the relevant 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 relevant 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 bankruptcy, winding-up, liquidation, receivership or similar proceedings of the relevant Issuer and/or the Guarantor or (ii) the relevant Issuer fails to make payment in respect of the Perpetual Securities when due or the Guarantor fails to pay any amount under the Guarantee when due and, in each case, such failure continues for a period of three business days (together, the “**Enforcement Events**”), the relevant Issuer or, as the case may be, the Guarantor shall be deemed to be in default under the Trust Deed and the Perpetual Securities 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 relevant Issuer and/or the Guarantor and/or prove in the winding-up of the relevant Issuer and/or the Guarantor and/or claim in the liquidation of the relevant 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 without further notice to the relevant Issuer or the Guarantor institute such proceedings against the relevant Issuer and/or the Guarantor as it may think fit to enforce any term or condition binding on the relevant 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 relevant 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 relevant 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 relevant 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 by the Perpetual Securityholders to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor or to institute proceedings for the winding-up or claim in the liquidation of the relevant Issuer and/or the Guarantor or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the relevant 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 relevant 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, the Perpetual Securities or the Guarantee or in respect of any breach by the relevant Issuer or the Guarantor of any of its other obligations under or in respect of the Trust Deed, the Perpetual Securities or the Guarantee (as applicable).

10. Meeting of Perpetual Securityholders and Modifications

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

The Trustee, the relevant Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than one-tenth of the principal amount of the Perpetual Securities of any Series for the time being outstanding, and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders 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 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 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 Euroclear and/or 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 and any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, if the Trustee so requires, 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 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, as the case may be, Transfer Agent as may from time to time be designated by the relevant 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 relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the relevant Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The relevant Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities having the same terms and conditions as the Perpetual Securities of any Series and so that the same shall be consolidated and form a single Series with such Perpetual Securities, and references in these Conditions to “**Perpetual Securities**” shall be construed accordingly.

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 or any corporation related to it to enter into business transactions with the relevant 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 relevant 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 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 shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, shall 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 and/or the Depository, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require or permit, 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 and/or the Depository.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the relevant 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 and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

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

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, the Coupons and the Talons 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, any Perpetual Securities, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, Perpetual Securities, Coupons, Talons or the Guarantee may be brought in such courts. Each of the Issuers and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

PERENNIAL REAL ESTATE HOLDINGS LIMITED

1. OVERVIEW

Perennial Real Estate Holdings Limited (formerly known as St. James Holdings Limited) is an integrated real estate owner, developer and manager focused primarily in the PRC and Singapore. It is currently listed on the Mainboard of the SGX-ST, and as at the Latest Practicable Date, PREHL has a market capitalisation of approximately S\$1.32 billion.

Headquartered in Singapore, the Group has a diversified portfolio of prime integrated developments well positioned for growth in gateway PRC cities and a portfolio of prime properties in Singapore. As at the Latest Practicable Date, the Group owns interests in and manages a diversified portfolio measuring about 36.5 million sq ft¹ and over 2.0 million sq ft in gross floor area in the PRC and Singapore respectively.

Apart from the PRC and Singapore, the Group will also selectively pursue real estate opportunities in other markets with a focus on emerging markets.

The Group is a dominant commercial developer with sizeable integrated developments in the PRC, of which two are the largest high speed railway commercial hubs in the country, being Chengdu East High Speed Railway Integrated Development and Xi'an North High Speed Railway Integrated Development. The Group is also invested in the Zhuhai Hengqin Integrated Development, and as at the Latest Practicable Date is the parent company of PCRT, Singapore's first pure-play PRC retail development trust with an asset value of approximately S\$1.86 billion (approximately RMB9.23 billion valued on an 'as if complete' basis) as at 30 June 2014². The Group, through PCRT, is invested in an extensive portfolio of PRC assets, such as Shenyang Red Star Macalline Furniture Mall, Shenyang Longemont Shopping Mall, Shenyang Longemont Offices, Perennial Jihua Mall, Foshan, Perennial Qingyang Mall, Chengdu, Perennial Dongzhan Mall, Chengdu, and Beijing Tongzhou Integrated Development Phase 1.

In Singapore, the Group is invested in and manages prime and iconic properties located predominantly in the Downtown Civic District and Orchard Road precinct, such as CHIJMES, TripleOne Somerset, Capitol Singapore and the House of Tan Yeok Nee. The Group also holds stakes in and manages Chinatown Point mall and 112 Katong mall.

The Group also undertakes various roles as asset manager, development manager, project manager and/or property manager in respect of various real estate developments as described in the section "Group Portfolio" below (the "**Management Businesses**").

2. BACKGROUND

2.1 Reverse take-over of St. James Holdings Limited

St. James was incorporated in Singapore on 28 November 2002 and was listed on Catalist on 6 March 2003. Its principal business was in leisure and entertainment. On 14 March 2014, St. James announced that it had entered into various conditional acquisition agreements with PREH and other vendors for the proposed acquisitions of equity interests in certain properties and businesses for a total purchase price of approximately S\$1.56 billion, which was to be satisfied ultimately by the allotment and issuance of ordinary shares in the capital of St. James which, on issue, represented approximately 99.27 per cent. of the share capital of St. James, constituting a reverse take-over under the Catalist Listing Rules.

¹ Assuming the Deferred Beijing Acquisition has taken place and not including carpark and M&E areas.

² Based on PCRT's public announcements.

The RTO was completed on 27 October 2014, whereupon St. James changed its name to Perennial Real Estate Holdings Limited, and was transformed into a sizeable real estate owner, developer and manager.

2.2 Disposal of St. James' existing business

In conjunction with the RTO, St. James also undertook a disposal of its shareholding interests in all its subsidiaries and associated companies and all other assets and liabilities relating to its leisure and entertainment businesses. The Leisure and Entertainment Business was subsequently distributed *in specie* to the existing shareholders of St. James on a *pro rata* basis by way of a capital reduction. The disposal of St. James's Leisure and Entertainment Business to its existing shareholders was completed on 27 October 2014.

2.3 Recent Developments

2.3.1 Voluntary conditional general offer for PCRT

On 27 October 2014, PREHL announced a voluntary conditional general offer for all the issued units of PCRT, other than those already owned, controlled or agreed to be acquired by PREHL, its related corporations and their respective nominees.

On 22 December 2014, PREHL announced that it had (in connection with its voluntary conditional general offer for all the issued units of PCRT), together with parties acting in concert with PREHL, owned, controlled, acquired or agreed to acquire an aggregate of 1,103,449,361 units in PCRT, representing approximately 96.32 per cent. of the issued units of PCRT. Accordingly, PREHL exercised its right of compulsory acquisition under Section 40A(1) of the Business Trusts Act to acquire all the remaining units of PCRT.

2.3.2 PREHL to guarantee the PCRT Programme (as defined below)

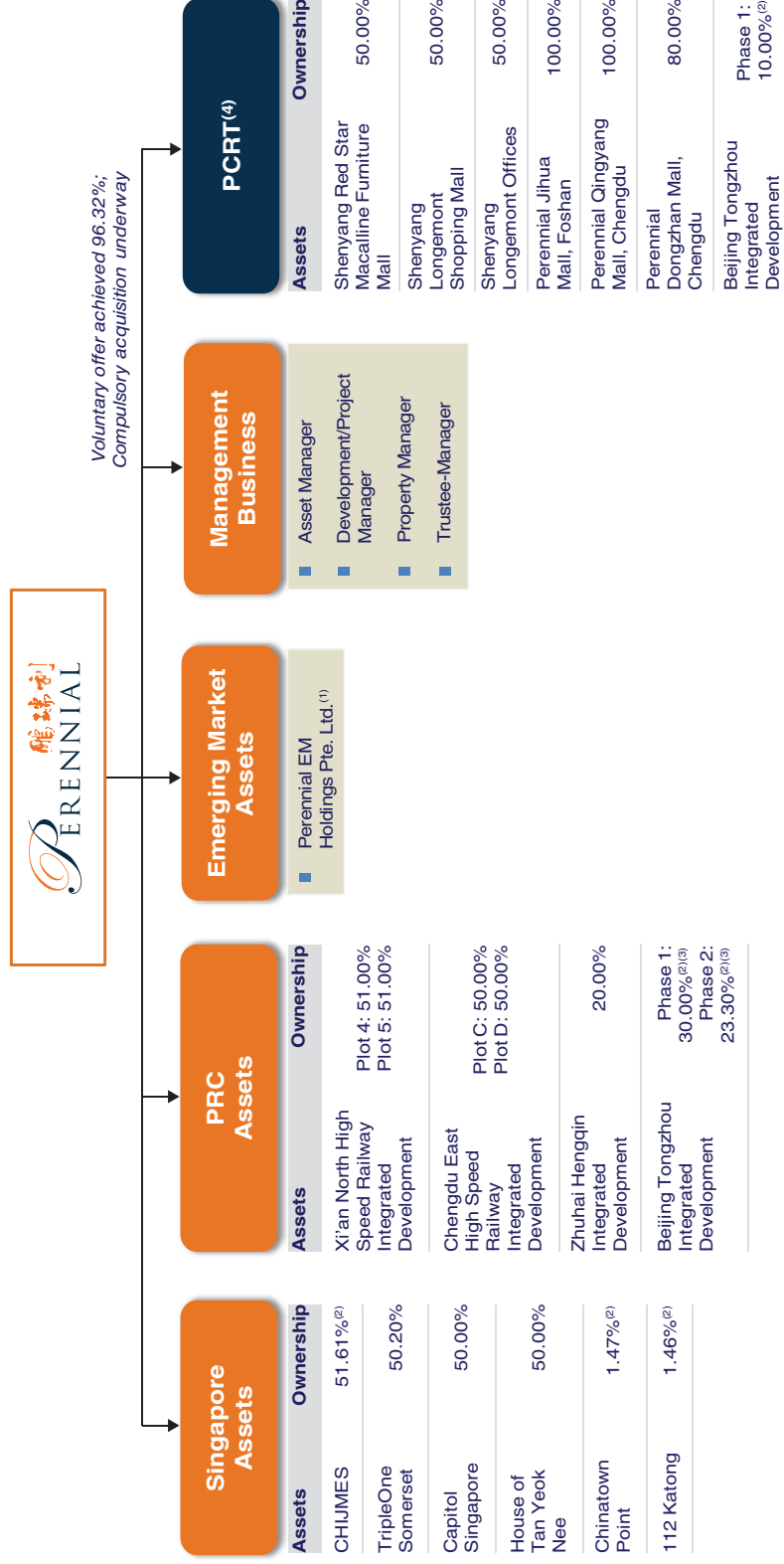
On 2 December 2014, PCRTM (in its capacity as trustee-manager of PCRT) announced that it was seeking the approval of noteholders for certain amendments (the "**Proposed Amendments**") to the Trust Deed (the "**PCRT Trust Deed**") in connection with PCRT's S\$500,000,000 Medium Term Note Programme which is unconditionally and irrevocably guaranteed by Perennial China Retail Pte. Ltd. (the "**PCRT Programme**").

On 2 December 2014, PREHL announced that in connection with the Proposed Amendments, in the event that units of PCRT cease to be traded on the SGX-ST:

- (i) PREHL will be added as a joint guarantor under the PCRT Trust Deed, on the same terms as the guarantee provided by Perennial China Retail Pte. Ltd. under the PCRT Trust Deed; and
- (ii) PREHL will provide an undertaking in favour of the Trustee (as defined in the PCRT Trust Deed) that PCRT will not issue any notes under the PCRT Programme.

3. BUSINESS AND PROPERTIES

This section sets out the details of the Group's Real Estate Properties and business.



(1) The Group has a 100.00 per cent. interest in Perennial EM Holdings Pte. Ltd., which has entered into a memorandum of understanding and paid a refundable deposit in respect of a 50.00 per cent. stake in a proposed development comprising industrial, residential, commercial and other uses in the Sagaing region of Myanmar. The Sagaing region is well-positioned to be a key industrial and transportation hub of Myanmar due to its geographical proximity to India and the PRC, and is also part of the economic corridor for the land-locked regions of Assam, Bhutan, Tibet and Yunnan. Sagaing has easy access to a network of land transport routes and efficient river transportation and is also in close proximity to the Mandalay International Airport.

(2) Approximate percentage.

(3) Assuming the Deferred Beijing Acquisition has taken place.

(4) To be delisted upon completion of the compulsory acquisition. Please refer to the section "Background – Recent Developments – Voluntary conditional general offer for PCRT" for more information on the voluntary offer and compulsory acquisition.

3.1 PRC Real Estate Properties (other than the PCRT Real Estate Properties)

The table below sets out a summary of the Group's PRC Real Estate Properties (other than the PCRT Real Estate Properties).

Property ⁽¹⁾	Chengdu East High Speed Railway Integrated Development (成都东客站综合项目, C 和D 地块)		Xi'an North High Speed Railway Integrated Development (西安北客站综合项目, 4 和5 地块)		Zhuhai Hengqin Integrated Development (珠海横琴综合项目)
	Plot C	Plot D	Plot 4	Plot 5	
Location	East of Qionglai Road, Chenghua District, Chengdu, Sichuan Province	North of Shangxin Road, South of Xi'an North HSR Station, Weiyang District, Xi'an, Shaanxi Province	East of Huandao East Road, South of Jilin Road, West of Fulin Road, Next to Hengqin Port Plaza, Hengqin District, Zhuhai, Guangdong Province		
Description⁽¹⁾	Retail podiums: 6 retail levels (4 above ground and 2 basement levels (B1, B2)) Office: 4 towers (two 60-storey, two 35-storey office towers) Carpark: 3 basement levels (B1 – B3)	Retail podium: 4 retail levels (3 above ground and 1 basement level (B1)) Office and Apartments: 10 towers (ten 35-storey office/apartment towers) Carpark: 3 basement levels (B2 – B4)	Retail podium: 3 retail levels (2 above ground and 1 basement level (B1)) Hotel (4 and 5 star): 1 tower Apartments: 4 towers (42 storeys) Carpark: 2 basement levels (B2 – B3)	Retail podium: 6 retail levels (5 above ground and 1 basement level (B1)) Offices: 4 towers (37 storeys) Apartments: 1 tower (37 storeys) Carpark: 2 basement levels (B2 – B3)	Retail podium: 6 retail levels (4 above ground and 2 basement levels (B1, B2)) Office: 1 tower Apartments: 2 towers Carpark: 4 basement levels (B1 – B4)

Property ⁽¹⁾	Chengdu East High Speed Railway Integrated Development (成都东客站综合项目, C 和D 地块)		Xi'an North High Speed Railway Integrated Development (西安北客站综合项目, 4 和5 地块)		Zhuhai Hengqin Integrated Development (珠海横琴综合项目)
	Plot C	Plot D	Plot 4	Plot 5	
Tenure	Commercial: 40 years, expiring on 20 February 2051		Commercial: 40 years, expiring on 23 November 2052		Commercial: 40 years, expiring on 1 March 2054 Residential: 70 years, expiring on 1 March 2084
Effective Interest	50.00%	50.00%	51.00%	51.00%	20.00%
Independent Valuation of property as at 31 March 2014 (100% basis)	RMB1,711.0 million	RMB1,349.0 million	RMB1,063.0 million	RMB872.0 million	RMB2,205.0 million
Land Area (sq ft)	412,401	599,361	506,974	554,314	256,552
Gross Floor Area (sq ft)	Retail: 900,000 Office: 2,950,000 Carpark/Others: 1,770,000 Total: 5,620,000	Retail: 1,220,000 Office: 2,510,000 Apartments: 580,000 Carpark/Others: 1,200,000 Total: 5,510,000	Retail: 660,000 Hotel: 1,220,000 Apartment: 1,450,000 Carpark/Others: 1,030,000 Total: 4,360,000	Retail: 1,570,000 Office: 1,690,000 Residences: 310,000 Carpark/Others: 1,170,000 Total: 4,470,000	Retail: 450,000 Office: 520,000 Apartments: 350,000 Hotel: 190,000 Carpark/Others: 680,000 Total: 2,190,000
Gross Development Value as at 31 March 2014 (100% basis)	RMB6,192.0 million	RMB5,909.0 million	RMB4,628.0 million	RMB4,105.0 million	RMB5,958.0 million

Notes:

(1) As all designs are undergoing refinement, the details in this table are subject to change.

(2) Based on current plans and subject to the relevant authorities' approval of the plans.

3.2 Singapore Real Estate Properties

The table below sets out a summary of the Group's Singapore Real Estate Properties.

Property	CHIJMES	TripleOne Somerset	Capitol Singapore	House of Tan Yeok Nee	Chinatown Point	112 Katong
Location	30 Victoria Street Singapore 187996	111 Somerset Road, Singapore 238164	Lots 346M, 8001L, 8002C and 383P Town Subdivision 10 at Stamford Road/North Bridge Road	101 Penang Road Visioncrest Singapore 238466	133 New Bridge Road, Singapore 059413	112 East Coast Road, Singapore 428802
Description	A retail, dining, entertainment and cultural destination	17 storey commercial building with 2 level retail podium 2 basement car park levels	Mixed-use development Hotel Rooms: 157	A gazetted National Monument zoned for commercial use under the Master Plan 2008	Retail Podium: 6 retail levels Strata Office: 4-strata titled office units	Retail Podium: 6 retail levels
Tenure	Leasehold 99 years from 13 May 1991	Leasehold 99 years from 19 February 1975	Leasehold 99 years from 24 January 2011	Freehold	Leasehold 99 years from 12 November 1980	Leasehold 99 years from 17 August 1979
Effective Interest	51.61% ⁽¹⁾	50.20%	50.00%	50.00%	1.47% ⁽¹⁾	1.46% ⁽¹⁾
Independent Valuation of property as at 31 March 2014 (100% basis)	S\$266.0 million	S\$983.0 million	S\$760.0 million	S\$74.2 million	S\$424.5 million	S\$439.0 million

Property	CHIJMES	TripleOne Somerset	Capitol Singapore	House of Tan Yeok Nee	Chinatown Point	112 Katong
Land Area (sq ft)	154,063	109,421	177,673 Residential component saleable area: 129,296	26,378	99,203 Strata area: Retail Podium: 173,957 ⁽⁴⁾ 4-strata titled office units: 4,230	78,158
Gross Floor Area (sq ft)	159,368	766,549	552,016	58,481 (Strata floor area)	311,739	282,099
Net Lettable Area (sq ft)	112,100 ⁽²⁾	564,774 ⁽³⁾ Office: 494,522 Retail: 70,252	Retail component: Approximately 131,202 ⁽²⁾	22,637 ⁽²⁾	Retail Podium: 208,087 ⁽³⁾⁽⁴⁾ 4-strata titled office units: 4,230	207,161 ⁽³⁾
Gross Development Value as at 31 March 2014 (100% basis)	S\$335.0 million	S\$1,400.0 million	S\$1,126.2 million	N.A.	N.A.	N.A.

Notes:

- (1) Approximate percentage.
- (2) Estimated NLA is subject to final survey.
- (3) As at 31 March 2014.
- (4) Excluding Civic and Community Institution space.

3.3 Perennial China Retail Trust Real Estate Properties

PCRT is Singapore's first pure-play PRC retail development trust and has an asset value of approximately S\$1.86 billion (approximately RMB9.23 billion valued on an 'as if complete' basis) as at 30 June 2014⁽¹⁾.

The table below has been prepared based on PCRT's 2013 Annual Report to its unitholders and other public announcements issued by PCRTM.

Property	Shenyang Red Star Macalline Furniture Mall	Shenyang Longemont Shopping Mall	Shenyang Longemont Offices	Perennial Jihua Mall, Foshan	Perennial Qingyang Mall, Chengdu	Perennial Dongzhan Mall, Chengdu	Beijing Tongzhou Integrated Development (Phase 1)
Location	Pangjiang Street, Dadong District, Shenyang, Liaoning Province	Pangjiang Street, Dadong District, Shenyang, Liaoning Province	Pangjiang Street, Dadong District, Shenyang, Liaoning Province	No. 45 Guilan South Road, Nanhai District, Foshan, Guangdong Province	Guanghua Avenue, Qingyang District, Chengdu, Sichuan Province	Plot A, East of Jinxiu Avenue, Chenghua District, Chengdu, Sichuan Province	Plots 13, 14-1 and 14-2, Xinhua Avenue, Tongzhou District, Beijing
Description	8 retail levels (7 above ground and 1 basement level)	10 retail levels (8 above ground and 2 basement levels)	56 levels	4 retail levels (3 above ground and 1 basement level)	4 retail levels (3 above ground and 1 basement level)	7 retail levels ⁽²⁾ (5 above ground and 2 basement levels)	Retail: 5 retail levels ⁽²⁾ (3 above ground and 2 basement levels)
	1 basement car park level			1 basement car park level	2 basement car park levels	1 basement car park level	Office and Residences: 3 towers
	1,065 car park lots and 41 heavy vehicle lots			Car Park Lots: 600 (Basement) and 230 (Above ground)	Car Park Lots: 835	Car Park Lots: 1,479	Car Park: 2 basement levels

⁽¹⁾ Based on PCRT's public announcements.

⁽²⁾ Based on current available plans and subject to the relevant authorities' approval of the plans.

Property	Shenyang Red Star Macalline Furniture Mall	Shenyang Longemont Shopping Mall	Shenyang Longemont Offices	Perennial Jihua Mall, Foshan	Perennial Qingyang Mall, Chengdu	Perennial Dongzhan Mall, Chengdu	Beijing Tongzhou Integrated Development (Phase 1)
Tenure		40 years, expiring 20 January 2049		40 years, expiring 20 May 2049	40 years, expiring 19 January 2050	40 years, expiring 20 February 2051	Commercial: 40 years from date of land use rights grant contract Composite: 50 years from date of land use rights grant contract
Effective Interest	50.00%	50.00%	50.00%	100.00%	100.00%	80.00%	Approximately 10.00%
Independent Valuation of property as at 30 June 2014 (100% basis)⁽²⁾	RMB2,503.0 million	RMB3,763.0 million	RMB2,224.0 million	RMB928.0 million	RMB1,175.0 million	RMB3,605.0 million	RMB5,759.0 million
Land Area (sq ft)	482,716	574,025		370,406	568,587	519,057	418,999
Gross Floor Area (sq ft)	Retail: 2,975,966	Retail: 3,528,321	Office: 2,129,151	Retail: 711,113	Retail: 968,760	Total: 3,013,920 ⁽¹⁾	Retail: 1,650,000 Office: 1,210,000 Residence: 650,000 Carpark/others: 1,040,000 Total: 4,550,000 ⁽¹⁾
Net Lettable Area (sq ft)	2,536,709	2,204,521	1,911,579	477,803	590,631	1,480,793	1,013,969 (for retail only)

Notes:

⁽¹⁾ Based on current available plans and subject to the relevant authorities' approval of the plans.

⁽²⁾ Valuation is based on 'as if complete' basis. The valuation for Beijing Tongzhou Integrated Development (Phase 1) is as at 31 March 2014.

3.4 Pipeline Assets

The Group has agreed to acquire the following assets (which as of the Latest Practicable Date has not been completed):

- approximately 30.00 per cent. effective equity interest in Beijing Tongzhou Integrated Development Phase 1 from PREH and Mr Ron Sim; and
- approximately 23.30 per cent. effective equity interest in Beijing Tongzhou Integrated Development Phase 2 from PREH and Mr Ron Sim,

(collectively, the “**Deferred Beijing Acquisition**”).

The closing of the Deferred Beijing Acquisition (the “**Deferred Beijing Acquisition Closing**”) will take place within 10 days (or such other date as the vendor(s) of such assets may determine) of the Beijing Assets obtaining the PRC government-issued Land Use Rights Certificate (国有土地使用证) (the “**Land Use Rights Certificates**”) for the land plots, provided that the Deferred Beijing Acquisition Closing shall not take place later than 10 April 2015.

However, if the Beijing Assets have not received the Land Use Rights Certificates by 10 April 2015, the Beijing Assets will not be acquired by the Group and the acquisition agreements in respect of the Beijing Assets shall terminate without further liability to the parties to the respective acquisition agreements.

The Group has also agreed to acquire the Deferred PREPL Shares that are held by Mr Pua Seck Guan (the “**Deferred PREPL Acquisition**”).

Mr Pua Seck Guan is unable to transfer the Deferred PREPL Shares at this time as the Deferred PREPL Shares are subject to, *inter alia*, (i) an undertaking given by Mr Pua Seck Guan to PCRTM, which requires him to continue holding the shares until the date falling five years after the listing of PCRT and (ii) a covenant in relation to the PCRT S\$500,000,000 Multicurrency Medium Term Note Programme, to hold at least 51.00 per cent. of the shares until 26 July 2016. Completion of the Deferred PREPL Acquisition will only take place on 27 July 2016. Mr Pua Seck Guan has agreed that he will assign the voting rights under the Deferred PREPL Shares to PREHL on 27 October 2014, until the completion of the Deferred PREPL Acquisition.

3.4.1 Beijing Tongzhou Integrated Development (北京通州综合项目)

The table below sets out a summary of information on Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2. The construction is expected to be completed in 2016/2017.

Property	Beijing Tongzhou Integrated Development (北京通州综合项目)	
	Phase 1	Phase 2
Location	Plots 13, 14-1 and 14-2, Xinhua Avenue, Tongzhou District, Beijing	Plots 10, 11 and 12, Xinhua Avenue, Tongzhou District, Beijing

Property	Beijing Tongzhou Integrated Development (北京通州综合项目)	
	Phase 1	Phase 2
Description⁽³⁾	Retail podium: 5 retail levels (3 above ground and 2 basement levels) Office and Residences: 3 towers Carpark: 2 basement levels	Retail podium: 5 retail levels (3 above ground and 2 basement levels) Office and Residences: 3 towers Carpark: 2 basement levels
Tenure	40 years (Commercial) from date of land use rights grant contract 50 years (Composite) from date of land use rights grant contract	
Effective Interest	40.00% ⁽¹⁾	23.30% ⁽²⁾
Independent Valuation of property as at 31 March 2014 (100% basis)	RMB5,759.0 million	RMB5,783.0 million
Land Area (sq ft)	418,999	537,489
Gross Floor Area⁽⁴⁾ (sq ft)	Retail: 1,650,000 Office: 1,210,000 Residences: 650,000 Carpark/Others: 1,040,000 Total: 4,550,000	Retail: 1,460,000 Office: 930,000 Residences: 740,000 Carpark/Others: 1,360,000 Total: 4,490,000
Gross Development Value as at 31 March 2014 (100% basis)	RMB11,531.0 million	RMB11,055.0 million

Notes:

- (1) Approximate percentage comprising 10.00% held by PCRT and 30.00% to be acquired pursuant to the Deferred Beijing Acquisition.
- (2) Approximate percentage.
- (3) As all designs are undergoing refinement, the details in this table are subject to change.
- (4) Based on current plans and subject to the relevant authorities' approval of the plans.

3.5 Management Businesses

Apart from its real estate assets, the Group also derives fee-based income from acting in its role as an asset manager, development manager, project manager and property manager.

The table below sets out the assets which are under the management of the Group.

Asset	Role
Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2	Asset Manager, Development Manager and Property Manager
Chengdu East High Speed Railway Integrated Development	Development Manager and Property Manager

Asset	Role
Xi'an North High Speed Railway Integrated Development	Development Manager and Property Manager
CHIJMES	Asset Manager, Project Manager and Property Manager
TripleOne Somerset	Asset Manager, Project Manager and Property Manager
Capitol Singapore	Project Manager and Property Manager (for the retail component) ⁽¹⁾
Chinatown Point	Asset Manager and Property Manager
112 Katong	Asset Manager and Property Manager
PCRT	Trustee-Manager, Development Manager and Property Manager

Note:

(1) Property management agreement to be entered into.

3.6 Others

The Group has a 100.00 per cent. interest in Perennial EM Holdings Pte. Ltd., which has entered into a memorandum of understanding and paid a refundable deposit in respect of a 50.00 per cent. stake in a proposed development comprising industrial, residential, commercial and other uses in the Sagaing region of Myanmar. The Sagaing region is well-positioned to be a key industrial and transportation hub of Myanmar due to its geographical proximity to India and the PRC, and is also part of the economic corridor for the land-locked regions of Assam, Bhutan, Tibet and Yunnan. Sagaing has easy access to a network of land transport routes and efficient river transportation and is also in close proximity to the Mandalay International Airport.

4. COMPETITIVE STRENGTHS

The Group is an integrated owner, developer and manager in the PRC and Singapore with a diversified portfolio that maximises returns

The Group has a diversified portfolio of prime integrated developments which are well positioned for growth in gateway PRC cities and a property portfolio in Singapore which will provide income stability in the form of steady cash flows. The interests of the Group are in:

The PRC

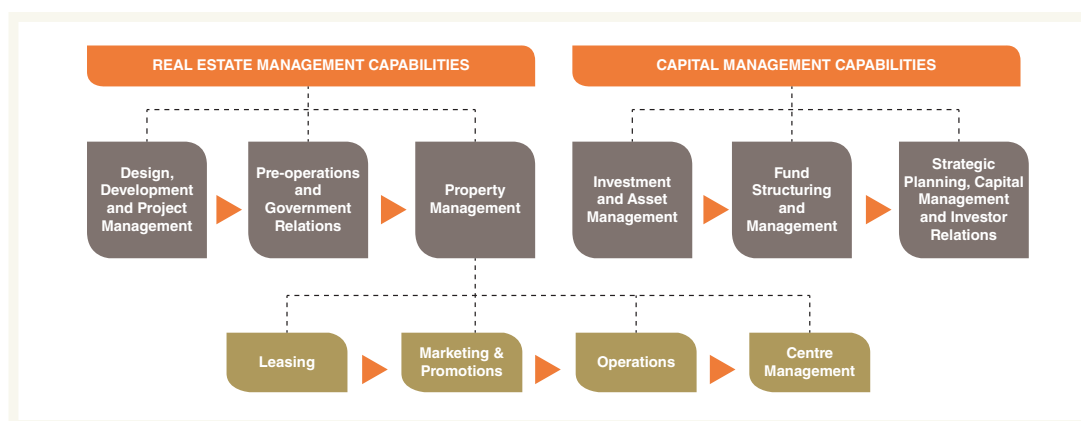
- Large-scale integrated real estate development projects strategically located in the first and second-tier provincial capitals and major cities of Beijing, Chengdu, Xi'an and Zhuhai, and directly connected to major transportation hubs, including high speed railway stations.
- Total GFA of approximately 36.5 million sq ft¹ upon completion (on a 100.0 per cent. basis).

¹ Assuming the Deferred Beijing Acquisition has taken place and not including carpark and M&E areas.

Singapore

- Mixed-use and commercial properties located predominantly within the Downtown Civic District and Orchard Road precinct.
- Total GFA of over 2.0 million sq ft (on a 100.0 per cent. basis).

Integrated real estate business platform supported by a proven management team



The Group can extract value across the entire real estate value chain, by leveraging on the Group's in-house suite of real estate capabilities to source, develop and manage the developments upon completion, and an internalised management team with strong capabilities and proven track record.

With skillsets spanning the real estate value chain and across different asset classes, the Group enjoys the following competitive advantages:

- the ability to develop and manage mixed-use developments while minimising the need to outsource or import expertise from external consultants or other developers; and
- the ability to gain access to strategically important pieces of land or projects in the PRC, which are designated for mixed-use.

Strong sponsors with superior business networks in the PRC, Singapore, and emerging markets coupled with a wide network of strategic and financial partners which the Group is able to tap into

The Group will be able to leverage on its strong sponsors (which comprise Mr Kuok Khoon Hong, Mr Ron Sim, Wilmar and Mr Pua Seck Guan) who have extensive networks and business experience in the PRC, Singapore and emerging markets.

- Mr Kuok Khoon Hong – please refer to the section “Management Team – Directors” for further information
- Mr Ron Sim – please refer to the section “Management Team – Directors” for further information
- Wilmar – Wilmar is Asia's leading agribusiness group and ranked amongst the largest listed companies by market capitalisation on the SGX-ST. Wilmar has operated in the PRC for over 20 years under Yihai Kerry – a leading agribusiness and food company which is one of the largest oilseed crusher, edible oils refiner, manufacturer of

consumer pack oils, specialty fats and oleochemicals; rice and wheat flour millers in the PRC, and produces a top edible oil brand – Arawana, which has had the largest market share in the PRC for the past 13 years

- Mr Pua Seck Guan – please refer to the section “Management Team – Directors” for further information

In addition to the sponsors, the Group has a demonstrated track record of being able to tap into a wide network of strong and strategic real estate partners and financial investors at various project levels. The Group’s current real estate partners and/or financial investors include Shanghai Summit Real Estate Development Co., Ltd., Shun Tak Holdings Limited, Chesham Properties Pte. Ltd., Boustead Singapore Limited, Breadtalk Group Limited, Alpha Investment Partners Limited, SEB Investment GmbH, SingHaiyi Group Ltd., Singapore Press Holdings Limited, NTUC Fairprice Cooperative Limited and Shun Fung Holdings (Private) Limited.

Capital structure calibrated at outset to access multiple pools of capital

The Group is expected to have good access to debt and equity capital markets, by virtue of its market capitalisation and NAV. Based on the unaudited pro forma consolidated financial information for the three months ended 31 March 2014, the Group has a net debt to total equity ratio of 0.61¹, assuming that the Deferred Beijing Acquisition and Deferred PREPL Acquisition events have not taken place. Assuming that these events have taken place, the net debt to total equity ratio would be 0.36.

Experienced management team

The Group benefits from the extensive experience of its directors and management team with proven track record, in-depth understanding of the industry, wide network of customer contacts and diligent risk management practices, which it believes will enable the Group to grow its business.

In particular, the Group is led by its Executive Director and Chief Executive Officer, Mr Pua Seck Guan, who has over 20 years of real estate experience in property investment, development and management across various asset classes, as well as in the creation and management of both private and listed real estate funds. Specifically in the retail real estate asset class, Mr Pua has an extensive track record and experience in the PRC, India, Japan, Hong Kong, Malaysia and Singapore and has been involved in the acquisition, development and management of over 110 retail malls in Asia, of which 70 were in more than 45 cities in the PRC.

¹ Net debt to total equity ratio is derived from taking net debt as a ratio over total equity. Both net debt and net debt to total equity ratio are not standard measures under SFRS. Net debt and net debt to total equity ratio are used as indicators of a company’s liquidity position, and a measure of solvency. In evaluating the liquidity position of the Group, the Group believes that it would be a useful supplement for investors to consider, among other things, the net debt position and the net debt to total equity ratio, which would indicate how much the Group is leveraged (in debt), net of the cash and cash equivalents. The net debt and the net debt to total equity ratio presented in this Information Memorandum may not be comparable to similarly titled measures presented by other companies. Investors should not compare the Group’s net debt and net debt to total equity ratio to net debt and net debt to total equity ratio presented by other companies because not all companies use the same definitions.

5. BUSINESS STRATEGIES AND PRINCIPLES

The Group has adopted the following strategies in its three main geographies of operations:

5.1 Strategy for the PRC

Acquire and develop large-scale mixed-use development projects in first and second-tier provincial capitals and major cities

The Group will target large-scale mixed-use greenfield development projects encompassing different asset classes strategically positioned in high growth PRC cities, and in close proximity to transportation nodes. The Group's emphasis on the PRC property market is supported by:

- **Rapid rate of urbanisation.** The PRC has seen rapid urbanisation in recent years. The PRC government has unveiled an urbanisation plan for 2014-2020 that is targeting to increase the country's urbanisation levels to at least 60 per cent. by 2020¹.
- **Increase in domestic consumption levels.** The Group aims to leverage on the increasing affluence and spending power of consumers in the PRC, as well as capitalise on favourable government policies which focus on spurring domestic consumption and infrastructure investment.
- **Increasing liberalisation of currency and capital markets.** The lawful currency of the PRC, the RMB, is expected to become a global currency with improvements in convertibility and is widely expected to appreciate in the future. The PRC's capital markets are also expected to gradually liberalise.

Large-scale mixed-use projects provide distinction, complementary advantages and resilience

Acquiring and developing large-scale mixed-use projects with various asset classes offers benefits, such as:

- creation of large-scale iconic landmark projects to distinguish the Group from its competitors;
- complementary advantages between asset classes, such as higher retail sales from a captive office crowd and residents, higher selling prices for residences due to integrated amenities, and savings from shared services between hotel and serviced residence components; and
- greater resilience against any future policies for specific asset classes, which will mitigate potential business risk to the Group.

¹ **Sources:** Zhu, Ningzhu (16 March 2014), "China's urbanization level to reach 60 pct by 2020", *Xinhua*, Retrieved from http://news.xinhuanet.com/english/china/2014-03/16/c_133190605.htm, Roberts, Dexter (20 March 2014), "China Wants Its People in the Cities", *Businessweek*, Retrieved from <http://www.businessweek.com/articles/2014-03-20/china-wants-its-people-in-the-cities>.

Adopt strata sales/long-term hold strategy to better manage fund flows, while benefiting from operating long-term assets

The Group will adopt an active strata sales strategy in relation to each of the PRC projects, whose proposed designs are such that up to 50.0 per cent. of the GFA of such developments comprise asset classes which allow for strata sub-division of the developments for sale (such as residential and strata retail units) for capital recycling purposes, with the remainder to be held for the long-term. This will allow the Group to:

- tap on an additional source of funds, recycle capital and reduce external financing requirements; and
- retain an interest in long-term assets, hence benefiting from any uplift in asset valuations which will build NAV, as well as enjoy future income from these operational assets.

There are a number of funding options for a developer to reach the stage when strata sales can be conducted, and these include:

- Obtaining an onshore project development loan. Such a loan can be obtained from an onshore bank once the construction permit is received. The loan quantum extended to the developer will typically match the registered capital of the onshore company. With an onshore loan, funding is adequate to commence pre-sale for all projects.
- Injecting additional equity by shareholders.
- Commissioning the main contractor to construct the project using its own funding until a pre-determined stage, for a fee (墊支). This could be up to ‘ground-level’ or even structural completion, for example. In such a case, no construction costs are required to be paid to the main contractor until the pre-determined stage is met, by which time the pre-sale requirements would have been fulfilled.

5.2 Strategy for Singapore

The strategy of the Group in Singapore is to acquire assets or land which can be repositioned and redeveloped to extract embedded value. The Group is expected to benefit from planned development and AEI for Capitol Singapore and the proposed AEI¹ for TripleOne Somerset. Upon completion, the Group intends to manage these assets and receive a stable stream of income. In addition, the Group will also selectively acquire completed assets which will provide income stability in the form of steady cash flows to the Group.

5.3 Strategy for Other Markets

The Group will selectively pursue real estate opportunities in other markets with a focus on emerging markets. The Group believes it can achieve a first-mover advantage in high-growth and untapped emerging markets by:

- leveraging on the sponsors’ extensive network of relationships and experience in the emerging markets;

¹ Subject to the relevant authorities’ approval of the plans.

- focusing on acquiring urban renewal or rejuvenation projects which require international expertise; and
- leveraging on the Group's ability to fund onshore at the asset level and offshore at the Group level, thereby obtaining favourable financing costs.

Projects in emerging markets have the potential for NAV growth as demand for such developments in the emerging markets will rise with the increased affluence of the country. Being a first-mover in these markets will present the Group with the opportunity to develop iconic landmark projects which may provide further opportunities in other emerging markets.

5.4 Principle for Realising the Group's PRC, Singapore and Other Markets Strategy

While the above broadly describes the key strategies being pursued, there will be an overlap of strategies as each of the markets matures and develops over time. The flexibility and the ability of the Group to pursue and implement various strategies over markets and over time is testament to the strong experience of the management team.

The Group is continually on the lookout for new investment opportunities and is actively pursuing further opportunities in the PRC, Singapore and other markets. The Group plans to implement the acquisition strategy by observing the following business disciplines:

- **Location:** acquire, develop and own mixed-use real estate assets in high growth cities (including both first and second-tier cities as well as provincial capitals) in the PRC, Singapore and other markets, in close proximity to transportation nodes;
- **Investment process:** assess investment opportunities according to a disciplined process to ensure development projects and asset acquisitions generate attractive returns by leveraging on the fully integrated real estate capabilities of the Group;
- **Active management:** actively manage the asset planning and design phases of development projects and pro-active asset management of completed assets to maximise income and capital values;
- **Investment and cash flow management:** focus on large scale mixed-use projects with separate asset classes with the intention to hold investment properties with good yield and trade the strata units of the projects to enable balance sheet recycling and optimise capital efficiency; and
- **Capital management:** manage the capital base prudently to optimise shareholders' returns over time.

5.4.1 Location

The Group's focus will be to acquire, develop and own mixed-use real estate assets in high growth cities (including both first and second-tier cities as well as provincial capitals) in the PRC, Singapore and other markets, in close proximity to transportation nodes:

- High growth cities

These properties are typically located in densely populated residential areas with a good catchment and have good transport links (well-served by metro and bus lines).

- Close proximity to rail or high-speed railway stations

These properties are typically directly linked or are in close proximity to rail or high-speed railway stations. They serve not only the residents in the precinct, but also cater to shoppers (i.e. tourists) from the nearby provincial cities.

The Group will also invest in mixed-use real estate. Retail malls which are effectively integrated with office, hotel and other commercial uses benefit from the added activity and traffic flow associated with the office tenants and hotel guests.

The Group will focus on selecting assets located in close proximity to major transportation nodes such as high-speed railway stations and areas benefiting from high levels of investment in infrastructure, which is expected to result in high traffic flow to the mall.

In Singapore, the Group's strategy will primarily be to re-position and to extract further value from existing properties. Any such exercise would typically involve increasing NLA, footfall traffic and rentals. While this is the near-term focus of the Group, the Group will be open to the development of mixed-use developments in Singapore if the investment thesis is attractive for the Group.

5.4.2 Investment Process

The Group will employ a disciplined investment process which involves:

- analysis of appropriate investment returns and how to achieve them through effective asset planning and capital management;
- in-depth knowledge of the PRC and Singapore real estate market, pertaining to appropriate entry price levels, land availability/scarcity, location attractiveness for retail, catchment demographics and potential competition;
- the choice of investment deal structure most suitable for each potential project, taking into account transaction completion risks;
- realistic estimations of revenue and achievable rental levels, construction, financing and other costs, leveraging on its extensive on-the-ground knowledge; and
- knowledge of regulatory and planning approval requirements, and how to fulfil them effectively.

This rigorous process combined with the on-the-ground presence of the Group will ensure that investment decisions are made with the benefit of the Group's knowledge of the market to generate attractive returns.

5.4.3 Active Management

The Group will actively manage the planning and design phases of development. The Group will be actively involved in the overall design, optimal asset and trade mix, efficient layout, effective linkages to transportation and integration with surrounding areas.

In the PRC, the Group holds less than 50.0 per cent. interest in the Beijing Assets and Zhuhai Hengqin Integrated Development. For the Beijing Assets¹, the Group is the single largest shareholder for Beijing Tongzhou Integrated Development Phase 1 with approximately 40.0 per cent. effective interest, and the single largest offshore shareholder and the single second largest shareholder after the onshore joint venture partner for Beijing Tongzhou Integrated Development Phase 2 with approximately 23.3 per cent. effective interest.

For Beijing Tongzhou Integrated Development Phase 1, the terms of its joint venture specify that the Group will lead the project management team. For Beijing Tongzhou Integrated Development Phase 2, the terms of its joint venture specify that the Group will co-lead the project management team with its onshore joint venture partner. Through its lead and co-lead roles in the project management team, the Group intends to actively manage the planning and design phases of development.

For Zhuhai Hengqin Integrated Development, the current planning and design of the asset has already incorporated input from the Group, especially with regard to retail asset planning, retail-related matters, as well as matters pertaining to the mixed-use development as a whole. The Group intends to continue to provide its input on planning and design matters, in order for the joint venture to leverage on the Group's expertise in retail and mixed-use developments.

Additionally, the Group will pro-actively manage completed assets to optimise the occupancy rates and rental levels.

The Group intends to undertake the following initiatives in managing the assets:

- leverage on the local and international tenant relationships of both the Group and the Group's partners;
- targeted leasing programmes to achieve an optimal tenancy mix, and maintain high occupancy rates through negotiating lease renewals well in advance of expiries;
- seek opportunities to enhance the assets' competitive positioning and appeal;
- increase value of the assets through AEI;
- actively maintain the assets to a high standard;
- seek to extract benefits from economies of scale from managing a large asset portfolio including opportunities to lower property expenses such as maintenance, cleaning and security without compromising on the quality of services provided; and
- engage in active marketing, branding and promotion of the assets.

The Group is able to offer the entire range of real estate services above in-house, thus enabling the Group to control the entire process to ensure an optimal outcome for the relevant properties.

¹ Assuming the Deferred Beijing Acquisition has taken place.

5.4.4 Investment and Cash Flow Management

The Group would focus on large scale mixed-use projects encompassing different asset classes – office, retail, apartments, hotel etc., with the intention to trade/sell the strata components of the development projects while maintaining investments in the non-strata portions of the developments for selected meaningful exposure. This facilitates the Group's ability to better manage fund flows/recycle capital via (a) development phasing and (b) trading/strata sales, reducing capital intensiveness, whilst allowing long-term holding assets to mature and eventually provide yield to investors.

The Group holds its investments in real estate projects via various joint venture structures. One such structure involves the subscription by a consortium of investors (which will include a member of the Group (other than PTPL and PREHL) as well as other third party investors) for a mix of equity instruments and junior or subordinated bonds issued by the joint venture company. Such securities (to the extent that they are debt securities) typically share in the same pool of security as the senior loans granted to the project company but are subordinated to the senior loans since it is intended that the investors (which includes the member of the Group which has subscribed for the securities) take on the equity risks associated with the relevant project. The Group may continue to employ similar investment structures to hold its new investments in real estate projects.

5.4.5 Capital Management

The Group intends to adopt an active interest rate management policy to manage the risks associated with changes in interest rates on the facilities while also seeking to ensure that the Group's on-going cost of debt remains competitive.

To manage the foreign exchange volatility associated with the Group's cash flows, the Group may, as appropriate, use currency hedging instruments like forward exchange contracts. The Group will actively monitor and manage foreign exchange fluctuations in order to enhance the stability and certainty of its cash flows. The Group will regularly evaluate the feasibility of implementing the appropriate level of foreign exchange hedges, after taking into account prevailing market conditions.

The Group will also capitalise on strong fund raising capabilities to support the continual development of the Group. Funding solutions will be considered at the relevant time for the relevant use with the objective to optimise the cost of capital of the Group. This may include retaining internal cash flow generated to fund future projects.

6. **MANAGEMENT TEAM**

6.1 **Directors**

Mr Kuok Khoon Hong

Chairman and Non-Independent Non-Executive Director

Mr Kuok Khoon Hong is the Chairman and Non-Independent Non-Executive Director of the Group. He is also a Member of the Remuneration Committee.

Mr Kuok is the Chairman of PREH and a Non-Independent Non-Executive Director of PCRTM, the trustee-manager of PCRT. Concurrently, he is the Co-Founder, Chairman and Chief Executive Officer of Wilmar (Wilmar and its subsidiaries are collectively referred to as the "**Wilmar Group**"), Asia's leading agribusiness group. He is overall in charge of the management of the Wilmar Group with a particular focus on new business developments.

He has extensive experience in the agribusiness industry and has been involved in the grains, edible oils and oilseeds businesses since 1973. Mr Kuok has completed many projects involving the establishment of oil palm plantations in Asia and Africa, as well as the processing of grains, edible oils and oilseeds.

Mr Kuok graduated from the then University of Singapore with a Bachelor of Business Administration degree.

Mr Ron Sim Chye Hock

Vice-Chairman and Non-Independent Non-Executive Director

Mr Ron Sim is the Vice-Chairman and Non-Independent Non-Executive Director of the Group. He is also a Member of the Nomination Committee.

Mr Sim is the Founder, Chairman and Chief Executive Officer of OSIM, a global leader in branded healthy lifestyle products listed on the Mainboard.

Mr Sim started his business in 1979 with a trading company selling general household items and later branched into home healthcare products. Under his leadership, OSIM was publicly listed in July 2000 and the company has approximately 850 outlets in approximately 30 countries in Asia, Oceania, Africa the Middle East, Europe and North America.

Over the years, Mr Sim has won several awards for OSIM and has been recognised for these personal achievements through the Ernst & Young 'Entrepreneur of The Year 2004' and the Business Times 'Businessman of the Year 2004' awards. Mr Sim participates actively in public service and is currently an Advisory Board Member of Singapore Management University's Lee Kong Chian School of Business and a Member of Nanyang Technological University's Enterprise Committee.

Mr Eugene Paul Lai Chin Look

Lead Independent Non-Executive Director

Mr Eugene Lai is the Lead Independent Non-Executive Director of the Group. He is also the Chairman of the Remuneration Committee, a Member of the Audit and Risk Committee and a Member of the Nomination Committee.

Mr Lai has been at Southern Capital Group since 2007, where he is Managing Director and Co-Managing Partner and is responsible for deal generation, execution and portfolio monitoring. Southern Capital Group is a private equity firm that makes investments in Southeast Asia. Mr Lai has a wealth of experience in private equity, investment banking, real estate and law. He was previously Managing Director and Senior Country Officer of JPMorgan, Malaysia from 2004 to 2007, where he headed the investment banking business and was the Country Head in Malaysia. He was also Managing Director and Chief Executive Officer of The Ascott Group Limited, one of the largest serviced apartment businesses globally with operations across Asia, Europe, Australia and New Zealand, from 2003 to 2004. Earlier, he held the position of Managing Director of The Carlyle Group, Asia from 2001 to 2003, where he headed the firm's private equity business in Southeast Asia, as well as Managing Director of Citigroup, Singapore (and its heritage organisations) from 1997 to 2001, where he held various senior roles in investment banking, including Head of Corporate Finance for Southeast Asia. Mr Lai started his career as a lawyer at Coudert Brothers, New York and Singapore, from 1987 to 1994 and David Chong & Co from 1994 to 1997, and specialised in banking and corporate transactions as a lawyer.

Mr Lai sits on a number of boards, including AIMS AMP Capital Industrial REIT Management Limited, the Singapore Anti-Narcotics Association, Securities Industry Council and DesignSingapore Council.

Mr Lai holds a Bachelor of Laws degree (First Class Honours) from The London School of Economics and Political Science and a Master of Laws degree from Harvard University.

Mr Chua Phuay Hee

Independent Non-Executive Director

Mr Chua Phuay Hee is an Independent Non-Executive Director of the Company. He is also the Chairman of the Audit and Risk Committee.

Mr Chua currently sits on the board of Temasek Life Sciences Laboratory Limited as a Non-Executive Director and chairs its Audit and Risk Management Committee. Concurrently, he is a Non-Executive Director of Industrial Bank Co., Ltd in China, a commercial bank listed on the Shanghai Stock Exchange. He is also an Independent Director on the boards of Fraser Hospitality Asset Management Pte Ltd and Frasers Hospitality Trust Management Pte. Ltd.

Mr Chua was formerly the Executive Director of Finance, Risk Management, Information Technology and Corporate Services at Wilmar from 2002 to 2011. During his tenure at Wilmar, the group expanded its global business rapidly and had a successful public listing in 2006. He was an Executive Director on the board of Wilmar from 2006 to 2011.

Prior to Wilmar, Mr Chua was the Chief Financial Officer and Chief Risk Officer at Keppel TatLee Bank from 1998 to 2002, which was merged into OCBC Bank in 2002. Mr Chua joined Tat Lee Bank as Executive Vice President in 1990 and was actively involved in its merger with Keppel Bank in 1998. He left the bank in 2002 and served for a few months as Chief Executive Officer of a property fund, China Homes Limited.

Mr Chua started his career with the Insurance Commissioner's Department at the Monetary Authority of Singapore in 1981. He subsequently headed the Personnel Department from 1983 to 1987 and the Securities Industry Department from 1987 to 1990.

Mr Chua holds a Bachelor of Science (First Class Honours) degree in Mathematics from Nanyang University, Singapore and a Master of Science (Actuarial Science) degree from Northeastern University, Boston, USA under an Asia Foundation Scholarship.

For the avoidance of doubt, Wilmar is not a related corporation of the Group. For the avoidance of doubt, Mr Chua has not been employed by the Group or any of its related corporations previously.

Mr Lee Suan Hiang

Independent Non-Executive Director

Mr Lee Suan Hiang is an Independent Non-Executive Director of the Group. He is also the Chairman of the Nomination Committee, a Member of the Audit and Risk Committee and a Member of the Remuneration Committee.

Mr Lee, a Colombo Plan Scholar in Industrial Design (Engineering), had a varied career in public service as Deputy Managing Director of the Economic Development Board; and Chief Executive of National Productivity Board, Singapore Institute of Standards and Industrial

Research, SPRING Singapore and National Arts Council before his retirement in 2011. In these roles he was actively involved in Singapore's economic development. He also led the national programme to develop and nurture Singapore's SMEs and local enterprises; and spearheaded the national efforts in promoting and developing productivity, standards, innovation and the arts.

Currently, Mr Lee holds the positions of President of the EDB Society and Chief Executive of the Real Estate Developers' Association of Singapore. He is also Chairman of the Singapore Note & Coin Advisory Committee, a Trustee of INSEAD Singapore Fund and a member of the Board of Governors of the Chartered Management Institute. His directorships on listed companies include Viking Offshore and Marine Limited, United Envirotech Ltd, Memstar Technology Ltd. and Advance SCT Limited.

Mr Lee previously held positions as Chairman of PSB Corporation, Deputy Chairman of The Old Parliament House Ltd, Founding Member of the Board of Governors of Singapore International Foundation, Board Member of the Institute of Technical Education, Deputy Chairman of the International Federation of Arts Councils and Cultural Agencies and Council Member of the International Standards Organisation.

He is a Fellow of the UK Chartered Management Institute, Chartered Institute of Marketing and the World Academy of Productivity Science; and a graduate of the International Executive Programme at INSEAD, the Leaders in Administration Programme at the Singapore Civil Service College and the Advanced Management Programme at Harvard University.

Mr Lee has won several awards including the National Day Public Administration Gold and Silver Medals, World Academy of Productivity Science Fellowship Award, World SME Association Award, Japan External Trade Organisation (JETRO) Award, Asian Productivity Organisation Honorary Fellowship Award, the Chevalier de l'Ordre des Arts et Lettres from the Republic of France and the NTUC Friend of Labour Award.

Mr Pua Seck Guan

Executive Director and Chief Executive Officer

Mr Pua Seck Guan is the Chief Executive Officer and Executive Director of the Group. He is concurrently the Non-Executive Director of PCRTM, the trustee-manager of PCRT.

Prior to the listing of the Group, he held concurrent positions as the Vice Chairman and PREH, and Chief Executive Officer and Executive Director of PCRTM.

Mr Pua founded PREPL in 2009 and established PCRT, Singapore's first PRC retail development trust listed on the SGX-ST, in 2011. Subsequently, PREPL underwent a corporate re-structuring exercise in 2012 to become PREH. In 2014, PREH undertook a reverse takeover exercise to establish the Group.

Mr Pua has over 20 years of real estate experience in property investment, development and management across various asset classes, as well as in the creation and management of both private and listed real estate funds.

Specifically in the retail real estate asset class, Mr Pua has an extensive track record and a wealth of experience in the PRC, India, Japan, Hong Kong, Malaysia and Singapore. Since 2002, Mr Pua has been involved in the acquisition, development and management of over 110 retail malls in Asia, of which 70 were in more than 45 cities in the PRC.

Widely regarded as a REIT pioneer in Singapore, Mr Pua was instrumental in establishing REITs listed on the SGX-ST such as CapitaMall Trust and CapitaRetail China Trust.

Mr Pua was previously the Chief Executive Officer of DLF International Holdings Pte. Ltd., the international business arm of DLF Limited, India's largest real estate company. He was also Chief Executive Officer of a number of CapitaLand Group of companies, including CapitaLand Retail Limited (now known as CapitaMalls Asia Limited), CapitaMall Trust Management Limited and CapitaLand Financial Limited.

Mr Pua was a Director on the Board of CapitaRetail China Trust Management Limited, the manager of CapitaRetail China Trust, and The LINK Management Limited, the manager of The LINK REIT, Hong Kong's first and largest REIT.

Mr Pua holds a Master of Science degree in Civil Engineering from the Massachusetts Institute of Technology, USA and a Bachelor of Science degree in Building (First Class Honours) from the National University of Singapore.

6.2 Key Management Team

Mr Goh Soon Yong

Deputy Chief Executive Officer (China)

Based in Beijing, Mr Goh Soon Yong has over 20 years of real estate experience, ranging from integrated development management, public housing estate management, town council property management and business development, to asset management and fund management.

Mr Goh was previously Chief Executive Officer (China Retail) of Pramerica Retail (Beijing) Co., Ltd. Earlier, he joined CapitaLand Retail Limited (now known as CapitaMalls Asia Limited) where he held various positions including Chief Asset Manager (China), Chief Executive Officer (China) and Chief Asset Manager (Regional) in 2011. He was also a Non-Executive Director of CapitaMalls Malaysia REIT Management Sdn. Bhd.

Mr Goh holds a Master of Science in Real Estate Management and a Bachelor of Science in Estate Management (Honours) degree from the National University of Singapore.

Ms Goh Hwee Peng

Deputy Chief Executive Officer (Singapore)

Ms Goh Hwee Peng has over 17 years of experience in investment and corporate finance of which, more than 12 years were in real estate investment management, asset management, creation of real estate funds, financing and strategic capital management.

Ms Goh was previously with CapitaLand Group for more than 10 years. Her last appointment was Deputy Chief Executive Officer of CapitaMall Trust Management Limited, the manager of CapitaMall Trust, the first pure-play retail REIT in Singapore, and concurrently Deputy Country Head (Singapore) of CapitaMalls Asia Limited.

Ms Goh is a CFA charterholder and holds a Bachelor of Business Administration (First Class Honours) from the National University of Singapore. She has completed the Executive Development Program at the University of Chicago Graduate School of Business, USA.

Ms Gan Chui Chui

Chief Financial Officer

Ms Gan Chui Chui has more than 28 years of experience in finance-related work ranging from accounting, audit, corporate finance, treasury, management and financial reporting.

Ms Gan was previously with CapitaLand Limited for 13 years and last held the position of Group Financial Controller. She also held various positions within CapitaLand Group, including Vice President (Finance and Corporate Services), CapitaLand Financial Limited and Vice President (Finance), CapitaLand Commercial Limited.

Prior to CapitaLand, Ms Gan was Senior Finance Manager of PowerSeraya Limited, Finance Manager of Singapore Network Services Pte Ltd, and held various finance positions at the Port of Singapore Authority. Earlier, she was an Auditor at Deloitte & Touche.

Ms Gan holds a Bachelor of Accountancy (Honours) from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants and CPA Australia.

Ms Annie Lee

Chief Operating Officer (Singapore)

Ms Annie Lee has more than 18 years of real estate experience, with strong expertise in leasing, retail planning, asset management and property management.

Ms Lee was previously Vice President, Asset Management of GIC Real Estate Pte. Ltd. Earlier, she was Head of Leasing (Singapore) of CapitaLand Retail Limited (now known as CapitaMalls Asia Limited), where she was seconded to VivoCity as Senior Development Manager for over two and a half years during her tenure with the company.

Ms Lee holds a Master of Business Administration (Specialisation in Real Estate) and a Bachelor of Science in Estate Management (Honours) from the National University of Singapore.

Mr Koh Ming Chye

Chief Executive Officer, PCRTM (Trustee-manager of PCRT)

Mr Koh Ming Chye is the Chief Executive Officer of PCRTM. He is concurrently the Deputy Chief Executive Officer (Retail Management, China) of Perennial (Shanghai) Retail Management Co., Ltd.

Mr Koh has more than 12 years of real estate experience and has been involved in the management of PCRT's property portfolio since PCRT's initial public offering in 2011. He joined Perennial Real Estate Pte. Ltd. in 2009 and was seconded to DLF International Holdings Pte. Ltd. as Chief Operating Officer (Retail Business), and stationed in New Delhi.

Mr Koh previously held various positions at CapitaLand Retail Limited (now known as CapitaMalls Asia Limited), including Regional General Manager of West China and General Manager of North China. In those capacities, he was actively involved in the retail planning of Raffles City Beijing and played an instrumental role in setting up the Chinese retail management teams, providing them training and guidance to oversee the projects in various PRC cities. Prior to the PRC posting, he was part of the centre management team in a number of Singapore malls.

Mr Koh holds a Bachelor of Science in Management (Honours) from the University of London.

Ms Ong Lay Hua

*Chief Financial Officer, PCRTM
(Trustee-manager of PCRT)*

Ms Ong Lay Hua has more than 20 years of experience covering areas of finance management, corporate planning, tax, audit and risk management gained from various industries. Prior to joining PCRTM, Ms Ong held various senior finance positions in various multinational and SGX-listed companies including Fortis Healthcare International Pte Ltd, Hyflux Ltd and United Technologies Corporation. She has spent part of her career overseas including being stationed in Shanghai, China with PricewaterhouseCoopers.

Ms Ong graduated from Murdoch University, Australia with a Bachelor of Commerce degree and holds a postgraduate diploma in Business Administration from Manchester University, United Kingdom.

PERENNIAL TREASURY PTE. LTD.

1. OVERVIEW

PTPL was incorporated on 25 September 2013 and is a wholly-owned subsidiary of PREHL.

2. PRINCIPAL BUSINESS ACTIVITIES

The principal activities of PTPL include the provision of financial and treasury services to the Group. Apart from the issue of Securities under the Programme, it is also intended that PTPL, as a treasury vehicle for the Group, may enter into other transactions for the purpose of raising funds to meet the financial requirements of the Group.

3. SHARE CAPITAL

As at the Latest Practicable Date, PTPL has an issued share capital of S\$1.00 consisting of 1 ordinary share.

4. DIRECTORS

The Directors of PTPL as at the date of this Information Memorandum are:

Name	Position
Mr Pua Seck Guan	Director
Ms Goh Hwee Peng	Director
Ms Gan Chui Chui	Director

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following statements present selected pro forma consolidated financial information for the Group which has been extracted or derived from the unaudited pro forma consolidated financial information of the Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 as disclosed in the Circular, except as indicated. The following information should be read in conjunction with the Group's unaudited pro forma consolidated financial statements and the related notes thereto included as Appendix II.

For the purposes of this section:

Scenario A takes into account the acquisition of all of the assets described in the section "Perennial Real Estate Holdings Limited – Business and Properties" but does not take into account the Deferred Beijing Acquisition and the Deferred PREPL Acquisition.

Scenario B takes into account the acquisition of all of the assets described in the section "Perennial Real Estate Holdings Limited – Business and Properties" and also assumes the completion of the Deferred Beijing Acquisition and the Deferred PREPL Acquisition.

Both Scenarios A and B are prepared assuming the Group holds 100.00 per cent. of the equity interest in PCRT.

Unaudited Pro Forma Consolidated Statements of Financial Position

As at 31 December 2013

	Scenario A S\$'000	Scenario B S\$'000
Non-current assets		
Plant and equipment	706	706
Investment properties	1,943,178	1,943,178
Associates and joint ventures	1,431,636	1,720,051
Intangible assets	108,616	116,364
Other financial assets	55,141	4,821
Other receivables	1,727	1,727
	3,541,004	3,786,847
Current assets		
Properties under development	399,546	1,588,685
Trade and other receivables	39,361	39,476
Cash and cash equivalents	97,500	110,441
	536,407	1,738,602
Total assets	4,077,411	5,525,449
Equity		
Share capital	1,649,608	2,151,650
Reserves	238,477	466,603
Equity attributable to owners of the Company⁽¹⁾	1,888,085	2,618,253
Non-controlling interests	292,948	1,005,685
Total equity	2,181,033	3,623,938
Non-current liabilities		
Bank borrowings	1,381,031	1,381,031
Junior bonds	143,826	143,826
Redeemable preference shares	47,613	47,613
Other payables	9,188	9,188
Deferred tax liabilities	41,814	41,814
	1,623,472	1,623,472
Current liabilities		
Trade and other payables	270,150	275,283
Current tax liabilities	2,756	2,756
	272,906	278,039
Total liabilities	1,896,378	1,901,511
Total equity and liabilities	4,077,411	5,525,449

⁽¹⁾ "Company" means Perennial Real Estate Holdings Limited.

Unaudited Pro Forma Consolidated Statements of Financial Position (cont'd)

As at 31 March 2014

	Scenario A S\$'000	Scenario B S\$'000
Non-current assets		
Plant and equipment	747	766
Investment properties	1,951,091	1,951,091
Associates and joint ventures	1,407,422	1,694,111
Intangible assets	109,247	117,177
Other financial assets	54,904	3,717
Other receivables	2,260	2,260
	3,525,671	3,769,122
Current assets		
Properties under development	399,546	1,588,685
Trade and other receivables	49,108	185,091
Cash and cash equivalents	68,570	89,298
	517,224	1,863,074
Total assets	4,042,895	5,632,196
Equity		
Share capital	1,670,141	2,174,768
Reserves	187,654	432,103
Equity attributable to owners of the Company⁽¹⁾	1,857,795	2,606,871
Non-controlling interests	298,266	1,043,813
Total equity	2,156,061	3,650,684
Non-current liabilities		
Bank borrowings	1,390,246	1,390,246
Junior bonds	143,826	143,826
Redeemable preference shares	47,613	47,613
Other payables	26,722	26,722
Deferred tax liabilities	40,648	40,648
	1,649,055	1,649,055
Current liabilities		
Trade and other payables	231,130	325,808
Current tax liabilities	6,649	6,649
	237,779	332,457
Total liabilities	1,886,834	1,981,512
Total equity and liabilities	4,042,895	5,632,196

⁽¹⁾ "Company" means Perennial Real Estate Holdings Limited.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

For the 12 months ended 31 December 2013

	Scenario A S\$'000	Scenario B S\$'000
Revenue	85,325	73,317
Cost of sales	(35,316)	(35,316)
Gross profit	50,009	38,001
Other income	167,670	171,215
Administrative expenses	(27,519)	(27,735)
Results from operating activities	190,160	181,481
Finance income	91	91
Finance costs	(37,367)	(37,367)
Net finance costs	(37,276)	(37,276)
Share of profits of associates and joint ventures, net of tax	24,704	28,722
Profit before tax	177,588	172,927
Tax expense	(23,266)	(21,114)
Profit for the period	154,322	151,813
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	73,685	73,685
Change in fair value of available-for-sale financial assets, net of tax	(969)	(969)
Other comprehensive income for the period, net of tax	72,716	72,716
Total comprehensive income for the period	227,038	224,529
Profit attributable to:		
Owners of the Company ⁽¹⁾	125,138	120,833
Non-controlling interests	29,184	30,980
Profit for the period	154,322	151,813
Total comprehensive income attributable to:		
Owners of the Company	195,822	191,518
Non-controlling interests	31,216	33,011
Total comprehensive income for the period	227,038	224,529
Earnings per share		
Basic and diluted earnings per share (cents)	10.11	7.52

⁽¹⁾ "Company" means Perennial Real Estate Holdings Limited.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income (cont'd)

For the three months ended 31 March 2014

	Scenario A S\$'000	Scenario B S\$'000
Revenue	18,427	18,427
Cost of sales	(8,828)	(8,828)
Gross profit	9,599	9,599
Other income	14,848	14,848
Administrative expenses	(3,632)	(3,959)
Results from operating activities	20,815	20,488
Finance income	37	37
Finance costs	(10,233)	(10,233)
Net finance costs	(10,196)	(10,196)
Share of profits of associates and joint ventures, net of tax	7,837	8,388
Profit before tax	18,456	18,680
Tax expense	(918)	(918)
Profit for the period	17,538	17,762
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(40,993)	(50,784)
Change in fair value of available-for-sale financial assets, net of tax	(90)	(90)
Other comprehensive income for the period, net of tax	(41,083)	(50,874)
Total comprehensive income for the period	(23,545)	(33,112)
Profit attributable to:		
Owners of the Company ⁽¹⁾	17,174	17,218
Non-controlling interests	364	544
Profit for the period	17,538	17,762
Total comprehensive income attributable to:		
Owners of the Company	(22,691)	(30,080)
Non-controlling interests	(854)	(3,032)
Total comprehensive income for the period	(23,545)	(33,112)
Earnings per share		
Basic and diluted earnings per share (cents)	1.39	1.07

⁽¹⁾ "Company" means Perennial Real Estate Holdings Limited.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors or existing holders of the Securities should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, performance or prospects of the Issuers, the Guarantor and their respective subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Issuers and the Guarantor are currently unaware of may also impair its business, assets, financial condition, performance or prospects. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuers, the Guarantor and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuers and the Guarantor to comply with their respective obligations under the Trust Deed and the Securities may be adversely affected. Further, the market price of the Securities could decline, and investors may lose all or part of their investments in the Securities. The investment considerations and risk factors discussed below also include forward-looking statements and the Issuers', the Guarantor's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and investment considerations and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

Limitations of this Information Memorandum

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

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Guarantor, either of the Arrangers or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuers, the Guarantor, their respective subsidiaries, associated companies (if any) and/or joint venture companies (if any), either of the Arrangers or any of the Dealers 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 on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuers, the Guarantor, their respective subsidiaries, associated companies (if any) and/or joint venture 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, financial and other advisers prior to deciding to make an investment in the Securities.

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

The Group is vulnerable to a number of risks applicable to the industry in which it operates and those specific to its business in general. Other risks relate principally to general economic, regulatory and political conditions in the countries in which the Real Estate Properties are located.

If any of the following considerations and uncertainties develops into actual events, the business, results of operations and financial condition of the Group could be materially and adversely affected.

Risks Relating to the Group's General Business and Operations

Development Risks

The Group faces risks associated with the developments and asset enhancements of its Real Estate Properties.

The Group's business may be adversely affected by delays in the construction and completion of its Real Estate Properties under development. As at the latest Practicable Date, Chengdu East High Speed Railway Integrated Development, Xi'an North High Speed Railway Integrated Development, Zhuhai Hengqin Integrated Development and Capitol Singapore are under development. AEI works for TripleOne Somerset have yet to commence, and approval for the AEI works have not been obtained.

Property developments typically require substantial capital outlay during the development and construction period and it may take an extended period of time to complete and to be occupied before a potential return can be generated. The time and costs required to complete a property development project may be subject to extensions and increases due to many factors, including shortages of, or price increases with respect to, construction materials (which may prove defective), equipment, technical skills and labour, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, changes in government or regulatory policies, delays in obtaining the requisite approvals, permits, licences or certifications from the relevant authorities and other unforeseeable problems and circumstances. Any of these factors may lead to delays in, or prevent the completion of, a property development project and result in costs substantially exceeding those originally budgeted for which the Group may not be adequately compensated by insurance proceeds (if any) and/or contractual indemnities (if any), as well as a delay in revenue. This may adversely affect the business, financial condition or results of operations of the Group.

Further, if there are incumbent residents and businesses on sites of future projects, they will need to be relocated. If any incumbent resident or business is dissatisfied with the relocation compensation and refuses to move, such incumbent resident or business may (a) apply to the relevant government entity to resolve the dispute and the relevant government entity will seek to resolve the dispute by negotiating with the relevant resident or business to reach a mutually acceptable relocation compensation arrangement, or (b) apply to the relevant land authority for its determination on whether the relocation compensation and relocation timetable is in compliance with relevant law. The relevant land authority will then make a decision as to the proper relocation compensation and timetable. There can be no guarantee that the relocation of incumbent residents or businesses will proceed smoothly or that they will agree to the compensation. In addition, the amount of compensation to be paid is subject to relevant government regulation and

may be changed at any time. Accordingly, any delays in effecting such relocations of these incumbent residents or businesses may result in delays in the construction schedules and/or increase operating costs, any of which could have a material adverse effect on the business, financial condition or results of operations of the Group.

It may be difficult to assess the future performance of the Real Estate Properties which have a limited track record.

A number of the Real Estate Properties have a limited track record because they are still under development (such as the Group's Real Estate Properties in the PRC and Capitol Singapore).

The absence of historical information in terms of performance means that it may be difficult to assess the future performance of such assets upon the completion of such property development, and in particular, the demand for such assets. There can be no assurance that the property development will yield the expected returns. Accordingly, the poor performance by such assets may have a material adverse effect on the business, financial condition or results of operations of the Group.

The Group may rely on partners or third parties to carry out its property development.

The construction of projects under development and AEI, such as Chengdu East High Speed Railway Integrated Development, Xi'an North High Speed Railway Integrated Development, Zhuhai Hengqin Integrated Development, and Capitol Singapore is performed by third party contractors or sub-contractors. Therefore, the Group does not have direct control over the day-to-day activities of such contractors or sub-contractors and will be reliant on such contractors or sub-contractors to perform these services in accordance with the development contracts. If the contractors fail to perform their obligations in a manner consistent with their contracts, the property development may not be completed as or when envisaged, if at all, thus leading to delays and unexpected costs. Even if the Group was to take any legal action against any third party contractors or sub-contractors for any breach of their respective obligations, they may not recover all or any losses incurred. In addition, if any contractor or sub-contractor engaged to work becomes insolvent, it may not be possible to recover compensation for such defective work or materials and the Group may incur losses as a result of funding the repair of the defective work or paying damages to persons who have suffered loss as a result of such defective work. This may have an adverse effect on the business, financial condition or results of operations of the Group.

The estimated GFA and NLA of the Real Estate Properties may differ from the actual GFA and NLA of the completed Real Estate Properties, especially for the Real Estate Properties under development or undergoing AEI.

The estimated GFA and NLA of each of Chengdu East High Speed Railway Integrated Development, Xi'an North High Speed Railway Integrated Development, Zhuhai Hengqin Integrated Development, and the NLA of Capitol Singapore and the proposed AEI of TripleOne Somerset which were adopted by independent valuers are based on architectural plans, and may differ from the actual GFA and NLA of the relevant completed Real Estate Properties. This is because the aforementioned assets are currently under development or AEI and hence the final built-up area upon completion of construction may differ. The GFA will only be finalised when the relevant certificate is issued. Accordingly, the actual GFA of the Real Estate Properties may vary if the figures in the relevant certificate and the architectural plans differ.

The strategy to initiate asset enhancements as well as developments on some of the Real Estate Properties may not materialise.

Asset enhancements may be initiated on some of the Real Estate Properties from time to time. There is no assurance that such plans for asset enhancements will materialise, or in the event that they do materialise, they may not achieve their desired results or may incur significant costs, which may have a material adverse effect on the business, financial condition or results of operations of the Group.

Real Estate Sector Risks

The Group operates in a capital-intensive industry that relies on the availability of sizeable amounts of capital for the acquisition of or development of properties.

The Group expects to have significant funding needs for their existing business operations, and new projects to grow their business, specifically for the development of Chengdu East High Speed Railway Integrated Development, Xi'an North High Speed Railway Integrated Development and Zhuhai Hengqin Integrated Development. Such funding is expected to be primarily funded by debt, taken out at the asset level, subject to applicable financing regulations in the PRC, and by proceeds from strata sales.

There is no assurance that the Group will be able to obtain financing, whether on a short-term or a long-term basis, on terms that are commercially acceptable. In respect of funding from strata sales, there is no assurance that the Group will be able to realise a sufficient level of funding as the sales are subject to market conditions. Factors that could affect the Group's ability to procure financing include its financial position, results of operation or cash flow, the property market's cyclical nature, any impairment of financial systems in the event of a downturn in financial markets and market disruption risks, which could adversely affect the liquidity, interest rates and availability of credit.

In addition, in respect of availability of credit from banks, changes in the reserve requirement ratio will affect the amount of funds that banks must hold in reserve against deposits made by their customers. Any future increase in the reserve requirement ratio will further reduce the amount of bank credit available to businesses including the Group. Under certain circumstances (such as consolidation in the banking industry or banks being required to reduce their exposure to a particular company, sector or industry), lending banks may be forced to reduce their loan portfolio, in which case, there can be no assurance that the Group will be able to obtain new loans or refinance existing debt and the Group may be required to repay part of their loans.

Failure to obtain financing or refinancing on commercially acceptable terms when required, may result in the Group not having adequate funds to fund their operations, acquisitions or development of properties, or to service their financing obligations which would have a material adverse effect on the financial position, results of operations, cash flows and prospects of the Group.

Future credit facilities may contain covenants that require the creation of security interests over assets or limit the Group's flexibility in its operations or financing activities. Such covenants may include negative pledges, restrictions on indebtedness, maintenance of certain financial ratios and prohibition of amendments to material documents, amongst others. Breach of these covenants could result in defaults under the relevant financing instruments. If the Group defaults under its financing instruments and is unable to cure the default or obtain refinancing on favourable terms, it would have a material adverse effect on the financial position, results of operations, cash flows and prospects of the Group.

Additionally, a portion of the Group's expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. Such indebtedness may also restrict the Group's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be vulnerable in the event of a general economic downturn.

There can be no assurance that the Group will be able to obtain any refinancing or have sufficient financial resources to satisfy any payment and/or repayment obligations and this may adversely affect the business, financial condition or results of operations of the Group.

The due diligence exercise on the Real Estate Properties, tenancies, buildings and equipment may not have identified all defects, breaches of laws and regulations and other deficiencies.

The Group believes that reasonable due diligence investigations with respect to the Real Estate Properties were conducted prior to their acquisitions. However, there is no assurance that the Real Estate Properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the Real Estate Properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of laws and regulations. Such defects or deficiencies may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on the earnings and cash flows of the Group. Further, statutory or contractual representations, warranties and indemnities given by any seller of properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

The market values of the Real Estate Properties may differ from the values provided by independent valuers.

The valuations of each of the Real Estate Properties were conducted using the income capitalisation, direct comparison and/or residual land valuation methods. Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their relative market positions, competitive strengths and their physical conditions. The market values of these Real Estate Properties when completed may therefore differ from the values of the Real Estate Properties as determined by independent valuers.

The values of the Real Estate Properties (as determined by independent valuers) are not an indication of, and do not guarantee, a sale price at that value at present or in the future. The price at which the Group may sell any of the Real Estate Properties may be lower than its value as determined by independent valuers.

The loss of anchor tenants or a significant number of tenants in any of the Real Estate Properties or a downturn in the businesses of anchor tenants or a significant number of tenants could have an adverse impact on the financial performance, operating results and cash flows of the Group.

The Real Estate Properties include integrated developments (or assets being developed into integrated developments) which will be dependent on the availability of tenants. Accordingly, the business, financial condition, results of operations and capital growth of the Group may be adversely affected by the bankruptcy, insolvency or downturn in the businesses of one or more of the anchor tenants or a significant number of tenants of any of the Real Estate Properties, as well as the decision by one or more of these tenants not to renew its lease or to terminate its lease before it expires. If an anchor tenant terminates its lease or does not renew its lease at expiry, it

may be difficult to secure replacement tenants at short notice. In addition, the amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than the current leases.

The loss of anchor tenants in any one of the Real Estate Properties, completed developments or future acquisitions could result in periods of vacancy, which could adversely affect the revenue and financial conditions of the Group.

Similarly, if a large number of tenants in the Real Estate Properties do not renew their leases at the end of a lease cycle or a significant number of early terminations occur and replacement tenants cannot be found, this could adversely affect the business, financial condition or results of operations of the Group.

The revenue earned from, and value of the Group's Real Estate Properties may be adversely affected by a number of factors.

The revenue earned from, and value of the Group's Real Estate Properties may be adversely affected by a number of factors, including:

- (i) the ability of the Group to collect rent from tenants on a timely basis or at all;
- (ii) the amount and extent to which the Group is required to grant rebates on rental rates to tenants due to market pressure;
- (iii) tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rent payments, inability to collect rentals at all or delays in the termination of the tenant's lease, or which could hinder or delay the sale of a property or the re-letting of the space in question;
- (iv) the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- (v) the national and international economic climate and property market conditions (such as oversupply of, or reduced demand for, retail space, the release of land for retail development, changes in market rental rates and changes in operating expenses for the Group's Real Estate Properties);
- (vi) the Group's ability to procure adequate management and maintenance or to purchase adequate insurance; and
- (vii) competition for tenants from other similar properties which may affect rental levels or occupancy levels at the Group's Real Estate Properties or cause the Group to accept restrictive rental covenants.

Transportation amenities and infrastructure near the Real Estate Properties may be closed, relocated or not built as planned.

The proximity of transportation amenities and infrastructure to certain Real Estate Properties such as MRT and HSR stations and bus interchanges provide convenient access to these Real Estate Properties and (in relation to the retail assets) a constant flow of human traffic. Such closure, relocation, termination or failure to build these amenities may adversely affect the accessibility of these Real Estate Properties which will (in relation to the retail assets) reduce the flow of human traffic to and may have an adverse effect on the demand and the rental rates for these Real Estate Properties and adversely affect the financial position of the Group.

Property operation costs and expenses may not decrease even if occupancy rate declines.

Certain Real Estate Properties are continuously operational and for which most costs incurred will not vary significantly with high or low occupancy rates over a week, month or season. Operating these Real Estate Properties involves a significant amount of fixed costs and this may limit the ability of the operators of the Real Estate Properties to respond to adverse market conditions by minimising costs. Such limitations may have an impact on profitability when the real estate industry is weak.

Business Operations Risks

The Group may continue to be exposed to liabilities relating to the Leisure and Entertainment Business.

Notwithstanding the disposal of the Group's Leisure and Entertainment Business to the existing shareholders of St. James, the Group may continue to be exposed to liabilities relating to the Leisure and Entertainment Business if it is unable to claim on the indemnity it is entitled to as part of the disposal or is unable to recover the full amount of such liabilities for any other reason. The amount of such liabilities is approximately S\$1.08 million based on the audited financial statements of the Group as at 30 June 2014 which does not take into account any additional liabilities incurred by St. James during the period from 30 June 2014 up until 27 October 2014 and would exclude any contingent liabilities of St. James which may crystallise after 27 October 2014. Such events may have a material adverse effect on the business, financial condition or results of operations of the Group.

The Group is exposed to operating risks and competitive pressures relating to the real estate industry, namely the office, retail, hospitality and residential sectors.

The real estate sectors in the countries in which the Group operates are highly competitive. The principal competitive factors include quality and location of the project, supply of comparable space and demand from prospective buyers, investors, tenants and shoppers, and accessibility of the project, including proximity to transport infrastructure. The Group also competes with other real estate developers, investment funds and other institutions in the countries in which it operates, for the acquisition of suitable development sites and available investment properties.

The Group is investing in real estate that is for mixed-use development purposes, some components of which will be put up for strata sales. As such, the Group will also be subject to the operating risks inherent in the property industry. In addition to the specific conditions discussed in more detail in this section, the risks that the Group faces include:

- (i) cyclical downturns arising from changes in general and local economic conditions;
- (ii) periodic local oversupply of office, retail, hospitality and residential property, which may adversely affect the results of operations of the Group;
- (iii) the recurring need for renovation, refurbishment and improvement of its properties;
- (iv) changes in wages, prices, energy costs and construction and maintenance costs that may result from inflation, government regulations, changes in interest rates or currency fluctuations;
- (v) availability of financing for operating or capital requirements;
- (vi) increases in operating costs due to inflation which may not necessarily be offset by corresponding increases in rental income received by the Real Estate Properties;

- (vii) other factors, including acts of terrorism, natural disasters, extreme weather conditions, labour shortages and work stoppages or disputes;
- (viii) delay in completion of the properties under development and AEI;
- (ix) the Group may be adversely affected by the illiquidity of real estate investments; and
- (x) income from the Real Estate Properties may be lower than expected, which may adversely affect the financial condition of the Group.

The real estate industry is competitive and may become increasingly so. Some of the Real Estate Properties are located in areas that have other competing properties and may also face competition from properties in the markets in which the Real Estate Properties are located or in the markets in which the Group will operate. The income from, and market value of, these Real Estate Properties will be largely dependent on the ability of the Real Estate Properties to compete against other properties in these markets in attracting and retaining tenants. An increase in the number of competitive properties in these markets, particularly in the areas where any Real Estate Properties are located, could have a material adverse effect on the revenue and/or occupancy rates of such Real Estate Properties, as such increased competition may adversely impact the tenants and consequently affect their ability to make rental payments.

The Group depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

The Group's performance depends, in part, upon the continued service and performance of key personnel of the Group (including Mr Pua Seck Guan). In particular, certain business agreements may contain provisions that require Mr Pua Seck Guan to remain as an executive director of the Group.

In addition, the Group's business depends to a material extent on the personal reputation, business generation capabilities, network and business relationships with members of the business community and real estate industry, judgment and project execution skills of Mr Pua Seck Guan, as well as other senior personnel. As the Group has a limited operating history, Mr Pua Seck Guan's personal reputation and business generation capabilities, in particular, are critical to the Group's ability to obtain and maintain client engagements and raise capital. Accordingly, his retention is crucial to the Group such that the loss of his services could have a material adverse effect.

The Group's business is focused primarily on real estate in the PRC and in Singapore and is not diversified across other asset classes in other countries.

The Group's strategy of focusing on real estate in the PRC and Singapore involves a higher level of risk as compared to a portfolio which has a more diverse range of investments in other asset classes. In addition, the Group is subject to risks arising out of its concentration in real estate assets primarily in the PRC and Singapore.

The Group's interest in the Real Estate Properties may be illiquid.

Real estate investments, particularly investments in high value properties such as those in which the Group have invested, developed, or intend to invest or develop, are relatively illiquid. Such illiquidity may affect the Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, the Group may be unable to sell its assets (or interests therein) on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, the Group may face difficulties in securing timely and commercially favourable financing due to the illiquid nature of real estate assets. These factors may adversely affect the business, financial condition or results of operations of the Group.

In addition, as the Group holds a minority stake in one or more Real Estate Properties, such interests may be particularly illiquid.

The occurrence of any acts of God, war and terrorist attacks may materially and adversely affect the business and operations of the Group.

Acts of God such as natural disasters are beyond the control of the Group. The Real Estate Properties may be located in geographical regions which are vulnerable to natural disasters. For example, Chengdu is the capital city of the earthquake-prone Sichuan province.

The Group's business and capital growth may be materially and adversely affected should such acts of God occur. In addition, there can be no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have a material and adverse effect on the operations of the Real Estate Properties and hence the business, financial condition or results of operations of the Group.

The Group may suffer material losses in excess of insurance proceeds.

The Real Estate Properties face the risks of suffering physical damage caused by fire, earthquakes or other acts of God or other causes, as well as face potential public liability claims, including claims arising from the operations of the Real Estate Properties, all of which may result in losses (including loss of rent) and the Group may not be fully compensated by insurance proceeds. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

In addition, certain types of risks (such as war risk and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Should an uninsured loss occur, the Group could be required to pay compensation to claimants and/or lose capital invested in the affected Real Estate Properties as well as anticipated future revenue from such Real Estate Properties. The Group may also remain liable for any debt or other financial obligation related to those Real Estate Properties.

The Group may be subject to third party litigation which could result in significant liabilities.

Legal proceedings against the Group relating to property development and management and disputes over tenancies may arise from time to time. There can be no assurance that the Group will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect their financial condition, results of operation or cash flow.

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

The real estate industry in the countries in which the Group operates may be impacted significantly by government regulations, which may result in a reduction in the Group's income or an increase in the Group's costs (including, for example, changes in tenancy laws that limit the Group's recovery of certain property operating expenses or changes in environmental laws that require significant capital expenditure). In addition, regulatory approvals may be required for, among other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing. Such approvals may stipulate, among other things, maximum periods for the commencement of development of the land. Some of these countries may also restrict the level, percentage and manner of foreign ownership and investment in real estate or may impose additional costs on foreigners seeking to invest in or own properties. Such regulations are at times ambiguous and their interpretations and applications can be inconsistent and can affect demand for the Group's properties and may be potentially detrimental to the Group. If the Group fails to obtain the relevant approvals or comply with applicable laws and regulations, it may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties and its businesses, among other things, any or all of which could have a material and adverse impact on its business, financial condition, results of operations and prospects.

The Group could incur significant costs or liability related to environmental matters.

The Group's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that property. In addition, the Group may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution or dangerous goods without a valid licence or the failure to remediate contamination, air pollution, noise pollution or dangerous goods may expose the Group to liability or materially adversely affect its ability to sell or lease real property or to borrow using the real property as collateral. Accordingly, if the Real Estate Properties are affected by contamination or other environmental effects not previously identified and/or rectified, the Group risks prosecution by environmental authorities and may be required to incur unbudgeted capital expenditure to remedy such issue and the financial position of tenants may be adversely impacted, affecting their ability to trade and to meet their tenancy obligations.

The Group's management business is dependent on the performance of the Real Estate Properties being managed.

As at the Latest Practicable Date, the Group manages (in various roles and capacities such as Asset Manager, Development Manager/Project Manager, Property Manager and Trustee-Manager) Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2, Chengdu East High Speed Railway Integrated Development, Xi'an North High Speed Railway Integrated Development, CHIJMES, TripleOne Somerset, Capitol Singapore, Chinatown Point, 112 Katong and PCRT.

Any condition which might have a material adverse effect on the Real Estate Properties' operating performance and financial condition, or termination of the management services, could materially reduce revenues derived from managing the Real Estate Properties. In particular, the management fees are also dependent on third-party risks such as litigation risks and any carried interest which may be affected by the performance of the Real Estate Properties.

The retail and hospitality components of the Group's developments may be affected by labour shortages.

The retail and hospitality sectors of countries in which the retail and hospitality components of the Group's developments operate may experience a labour shortage, which could increase labour costs and have an adverse effect on the business, financial conditions and results of operations of the Group.

The retail component of the Group's developments may be affected by growth in online shopping.

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 an adverse effect on the business, financial condition and results of operations of the Group.

Joint Venture Risks

The Group invests in entities which it does not control and which involve other partners and/or investors.

The Group conducts some of its businesses through non-wholly-owned subsidiaries, associated companies and joint ventures in which it shares control (in whole or in part) with financial partners and/or strategic or business partners. There can be no assurance that the Group will be able to control or exercise any influence over the assets of such non-wholly-owned subsidiaries associated companies and joint ventures.

There can be no assurance that any of these strategic or business partners will wish to continue their relationships with the Group in the future or that the Group will be able to pursue its stated strategies with respect to its non-wholly-owned subsidiaries, associated companies and joint ventures. Furthermore, other investors in the Group's non-wholly-owned subsidiaries, associated companies and joint ventures may undergo a change of control or financial difficulties which may affect the relevant non-wholly-owned subsidiaries, associated companies and joint ventures, and which may in turn affect the business, financial condition, results of operations and prospects of the Group.

General Risks Relating To Countries in which the Group Operates

The conditions of the global financial markets and the macro economy may adversely affect the business, financial performance, operating results and prospects of the Group.

Although the Real Estate Properties are located in Singapore and the PRC, an economic decline in Singapore, the PRC, other Asian markets and the global economy, could adversely affect the results of operations and future growth of the Group. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. There remains a concern that the debt crisis in Europe and the U.S. will impinge upon the health of the global financial system. These and other related events have had a significant impact not only on the global capital markets associated with asset-backed securities but also on the global credit and financial markets as a whole. These events could adversely affect the Group insofar as they result in:

- (i) an increase in counterparty risk (being the risk of monetary loss which the Group may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction);

- (ii) an increased likelihood that one or more of (a) the Group's banking syndicates (if any), (b) banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the Group or Group's operations or (c) the Group's insurers, may be unable to honour their commitments to the Group;
- (iii) decreases in valuations of Real Estate Properties resulting from deteriorating operating cash flow and/or widening capitalisation rates;
- (iv) decreases in rental or occupancy rates;
- (v) a negative impact on the ability of the tenants to pay their rents in a timely manner or continuing their leases, thus reducing the Group's cash flow;
- (vi) the insolvency of contractors resulting in construction delays in the Group's properties; and/or
- (vii) an adverse effect on the cost of funding the Group's business.

There is also uncertainty as to the strength of the U.S. and the global economy, the decrease in consumer demand and the impact of the global downturn on the economy of Singapore and the PRC.

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

The Group is subject to all the risks inherent in doing business in the jurisdictions in which it operates. Its business, earnings, prospects and value of assets that it manages may be materially and adversely affected by a variety of conditions and developments, including:

- (i) inflation, interest rates, and general economic conditions;
- (ii) governmental policies, laws and regulations, particularly those relating to asset and fund management and real estate, and changes to such policies, laws and regulations;
- (iii) difficulties and costs of staffing and managing international operations;
- (iv) price controls;
- (v) the ability of its management to deal with multiple, diverse regulatory regimes;
- (vi) potentially adverse tax consequences;
- (vii) the risk of nationalisation and expropriation of the Real Estate Properties;
- (viii) currency fluctuation and regulation risks;
- (ix) social unrest or political instability; and
- (x) adverse economic, political and other conditions,

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

Changes in laws and governmental regulations in relation to property, including those governing usage, zoning, taxes and government charges may have an adverse impact on the Group's business. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant Real Estate Properties may also be restricted by legislative actions, such as revisions to the building standards laws or the town planning laws, or the enactment of new laws related to condemnation and redevelopment.

Such conditions and developments and other risks associated with conducting business in multiple jurisdictions, many of which are outside the Group's control, may have an adverse effect on its consolidated business, results of operations and financial condition. It is expected that exposure to these risks will increase as the Group continues to expand its operations into other countries.

The Real Estate Properties are subject to property taxes that may increase, or capital gain taxes that may be imposed or increased, and thereby adversely affect the financial performance and operating results of the Group.

Some of the Real Estate Properties are subject to various property taxes in the PRC and Singapore that may increase as tax rates increase or as these Real Estate Properties are assessed or reassessed by relevant authorities. In addition, with regard to the PRC, certain taxes such as the real estate tax are subject to the discretion or practice of local tax bureaus in the PRC and thus the amount of taxes payable may vary. If tax liabilities of the Group in respect of these Real Estate Properties increase, the real estate taxes may increase and the capital growth of the Group could be adversely affected.

The Real Estate Properties, or parts of the Real Estate Properties, may be subject to compulsory acquisition by the authorities.

With regard to the Real Estate Properties in the PRC, the PRC government has the power to compulsorily acquire any land and property in the PRC for public interest pursuant to the provisions of the PRC Property Law (中华人民共和国物权法), the PRC Land Administration Law (中华人民共和国土地管理法), the PRC Urban Real Estate Administration Law (中华人民共和国城市房地产管理法) and the Regulation on Expropriation of and Compensation for Property on State-owned Land (国有土地上房屋征收与补偿条例) (the "**Expropriation Regulations**").

According to the Expropriation Regulations, in the event of any compulsory acquisition of property in the PRC, the amount of compensation to be awarded includes (i) compensation for the value of the property to be compulsorily acquired, (ii) compensation for relocation or temporary settlement resulting from the compulsory acquisition and (iii) compensation for the production or business interruption losses resulting from the compulsory acquisition.

The compensation for the value of the property to be compulsorily acquired should be no less than the market value of a similar property on the date of announcement of the compulsory acquisition, which will be assessed by a qualified property appraisal institution on the basis prescribed in the relevant laws and regulations. If any of the Real Estate Properties were to be acquired compulsorily by the PRC government, the level of compensation paid to the Group pursuant to the above provisions may be less than the price which the Group paid for such Real Estate Properties or the valuation obtained by the Group in respect of the Real Estate Properties and may not take into account any perceived future loss.

With regard to the Real Estate Properties in Singapore, the Land Acquisition Act, Chapter 152 of Singapore, gives the Government of Singapore the power to, among other things, acquire any land in Singapore:

- (i) for any public purpose;
- (ii) where the acquisition is of public benefit or of public utility or in the public interest; or
- (iii) for any residential, commercial or industrial purpose.

In the event that any of the Real Estate Properties in Singapore are acquired compulsorily, the relevant authority will take into consideration, amongst others, the following, in determining the amount of compensation to be awarded:

- (a) the market value of the property as at the date of the publication in the Government Gazette of the notification of the 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 Government Gazette); or
- (b) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire.

Accordingly, if the market value of a property or part thereof which is acquired is greater than the market values referred to above, the compensation paid in respect of the acquired property may be less than its market value and this would have an adverse effect on the assets of the Group.

The Group is subject to foreign currency exchange rate and interest rate fluctuations.

There is a risk that movements in foreign currency exchange rates or changes to the interest rates may adversely affect repayments of borrowings by the Group denominated in foreign currency. A substantial portion of Group's revenue and operating expenses is denominated and/or incurred in RMB and there is no assurance that the Group will be able to fully hedge the currency risks associated with such foreign currencies.

The Group may enter into hedging transactions to protect themselves or their portfolios from, amongst other things, the effects of exchange rate fluctuations between their RMB denominated revenues and Singapore dollars or other currencies, exchange rate fluctuations between their borrowings under credit facilities, interest rate and currency exchange fluctuations on floating rate debt and interest rate and prepayment fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements. As at the Latest Practicable Date, all of the Group's debt is on a floating rate basis.

However, these hedging activities may not have the desired beneficial impact on the results of operations or financial conditions of the Group, and may not completely insulate the Group from the risks associated with changes in interest rates and exchange rates. In addition, hedging activities involve risks and costs, including transaction costs, which may reduce overall returns.

For the three months ended 31 March 2014, the Group recognised net foreign exchange gain of S\$1,554,000 on a *pro forma* basis. As at the Latest Practicable Date, the Group has not entered into any hedging transactions.

Epidemic diseases may adversely affect the business and operations of the Group.

Several countries in Asia, including the PRC and Singapore, have suffered from outbreaks of communicable diseases like severe acute respiratory syndrome, avian flu and swine flu. A new and prolonged outbreak of such diseases may have a material adverse effect on the business, financial conditions and results of operations of the Group. Although the long-term effect of such diseases cannot currently be predicted, previous occurrences of such diseases had an adverse effect on the economies of those countries in which they were most prevalent.

An outbreak of a communicable disease in the particular region in which a Real Estate Property is located may affect the Group in a number of ways which could materially and adversely affect the business, financial condition and results of operations of the Group.

The accounting standards which the Group is subject to may change.

The Group may be affected by the introduction of new or revised accounting standards. Accounting standards in the countries the Group operates in are subject to change as they are further aligned with international accounting standards. The financial statements of the Group may be affected by the introduction of such revised accounting standards. The extent and timing of these changes in accounting standards are currently unknown and subject to confirmation by the relevant authorities.

The Group has not quantified the effects of these proposed changes and there can be no assurance that these changes will not:

- (i) have a significant impact on the presentation of the Group's financial statements;
- (ii) have a significant impact on the Group's results of operations;
- (iii) have an adverse effect on the ability of the Group to carry out its investment strategy; or
- (iv) have an adverse effect on the business, financial condition and results of operations of the Group.

Risks Relating to the Group's Business Activities in the PRC

The Group may be subject to liabilities in respect of its employees who are unionised.

The Group hires unionised employees in the PRC, in particular in the Shenyang Summit Real Estate Development Co. Ltd., a joint-venture company in Shenyang. Therefore, the Group may be subject to liabilities arising from strikes or disruptions due to labour disputes in the event of any breakdown in talks with the labour unions. Any strikes or disruptions arising from labour disputes could have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

Risks associated with the developments and asset enhancements of its PRC Real Estate Properties.

The completion of the development projects in the PRC will be subject to obtaining certain permits¹ from various government agencies. In the event the relevant permits are not received, this may adversely affect the business, financial condition and the results of operations of the Group.

¹ Land use right certificate, construction land planning permit, construction project planning permit, construction permit and pre-sale permit.

Further, the Group's Real Estate Properties in the PRC are definitely held under a limited term of land use rights granted by the government authorities subject to a number of specific conditions. Such conditions may include the completion of the relevant development projects according to a specified schedule and attaining a certain threshold of construction. The failure to comply with such conditions imposed by the government authorities could result in the government authorities imposing penalties or modifying the terms of the land use rights granted or, in extreme cases, taking back the granted land use rights without compensation. This may adversely affect the business, financial condition and the results of operations of the Group.

The Group may fail to obtain the necessary Land Use Right Certificates for the Beijing Assets in time.

In the event that the Group fails to obtain the necessary Land Use Right Certificates for the Beijing Assets by 10 April 2015, then the Beijing Assets will not be acquired by the Group. The effects on the pro forma NAV will then be as depicted under Scenario A, as reflected in the "Summary of the Financials of the Group" of this Information Memorandum.

Property austerity measures implemented by the PRC government may continue indefinitely or deepen.

Certain Real Estate Properties are situated in various cities across the PRC. These Real Estate Properties will be subject to PRC laws, regulations and policies, and the laws, regulations and policies from time to time adopted by the respective local government authorities. Any amendment to or change in the existing legal regime may adversely and directly affect the business, financial condition and results of operations of these Real Estate Properties and the Group.

The Group's gross revenue and results of operations depend, to a large extent, on the performance of the PRC economy and the property market conditions in the PRC as a whole. An economic downturn in the PRC could adversely affect the business, financial condition, results of operations and future growth of the Group.

The PRC property market is volatile and may experience oversupply and price fluctuations. The central and local governments in the PRC may adjust monetary policy and implement other austerity measures from time to time to prevent and curtail the overheating of the property market in the PRC and local economies. Such economic adjustments may affect the property market in the regions where certain Real Estate Properties are located, as well as other parts of the PRC.

The central and local governments in the PRC may also make policy adjustments and adopt new regulatory measures from time to time in a direct effort to discourage speculation in the property market, control property prices and curb the oversupply of the property market in the PRC. Such policies may lead to changes in market conditions, including price instability and imbalance of supply and demand, which may materially and adversely affect the business, financial conditions and the results of operations of the Group.

To discourage speculation in the property market in the PRC, the PRC government has, among other things, implemented the control measures below.

In March 2005, the General Office of the State Council promulgated the Circular on Effectively Stabilising Housing Prices (国务院办公厅关于切实稳定住房价格的通知), which was aimed at restraining housing prices from increasing too rapidly and promoting stable development of the real estate market. On 9 May 2005, the General Office of the State Council issued the Circular of the General Office of the State Council on Forwarding the Opinions of the Ministry of Construction and other Departments on Stabilising Property Prices (国务院办公厅转发建设部等部门关于做好稳定

住房价格工作意见的通知) which was followed by a series of corresponding measures which constitute a set of policies by the PRC Government to tackle the perceived overheating of the PRC property market.

On 24 May 2006, the General Office of the State Council issued the Circular of the General Office of the State Council on Forwarding the Opinions of the Ministry of Construction and other Departments on Adjusting the Housing Supply Structures and Stabilising Property Prices (国务院办公厅转发建设部等部门关于调整住房供应结构稳定住房价格意见的通知) (“**Circular No. 37**”) which was jointly prepared by nine ministerial departments, including the Ministry of Housing and Urban-Rural Development (“**MOHURD**”) (formerly known as the Ministry of Construction), the National Development and Reform Commission (the “**NDRC**”), the Ministry of Land and Resources (“**MLR**”) and the State Administration of Taxation (“**SAT**”). Circular No. 37 was aimed at guiding and promoting sustainable and healthy development of the real estate industry through adjusting housing supply structure and curbing soaring housing prices. Circular No. 37, among other things:

- (i) required that at least 70 per cent. of the land supply approved by a local government for residential property development for any given year must be used for developing low-to medium-cost and small-to medium-sized units or low-cost rental properties;
- (ii) required that at least 70 per cent. of the units in the residential projects approved or constructed on or after 1 June 2006 must be smaller than 90 sq m in terms of GFA and that projects which have received project development approvals prior to that date but have not obtained Construction Permits must adjust their planning in order to conform with this new requirement. However, municipalities under direct administration of the PRC central government and provincial capitals and certain cities may deviate from such ratio under special circumstances upon approval from the MOHURD;
- (iii) increased the minimum amount of down payment from 20 per cent. to 30 per cent. of the purchase price of the underlying residential property if the underlying property has a GFA of 90 sq m or more, as effective from 1 June 2006;
- (iv) prohibited commercial banks from lending funds to real estate developers with an internal capital ratio, calculated by dividing the internal funds by the total project capital required for the relevant projects, of less than 35 per cent., restricted the grant or extension of revolving credit facilities to property developers holding a large amount of idle land and vacant commodity properties, and prohibited commercial banks from taking commodity properties which have been vacant for more than three years as security for loans; and
- (v) imposed a business tax levy on the entire sales proceeds from the re-sales of properties if the holding period is shorter than five years, effective from 1 June 2006, as opposed to two years as such levy was initially implemented from June 2005. Where an individual transfers a property other than an ordinary residential property more than five years after his or her purchase, the business tax will be levied on the difference between the resale price and the original purchase price.

On 6 July 2006, the MOHURD promulgated Certain Opinions regarding the Implementation of the Ratio Requirements for the Structure of Newly Constructed Residential Units (关于落实新建住房结构比例要求的若干意见), which stipulated that residential units with a GFA of less than 90 sq m shall account for over 70 per cent. of the total GFA of residential units which are newly approved and constructed in each city or county after 1 June 2006. The relevant local government will have the authority to determine the configuration of newly constructed properties.

On 7 January 2010, the General Office of the State Council issued the Notice of the State Council Office Regarding the Promotion of Stable and Healthy Development of the Property Market (国务院办公厅关于促进房地产市场平稳健康发展的通知), which requires local people's governments at all levels to strengthen the real estate credit risk management, to rectify the real estate market, and to intensify its efforts to promote the healthy development of the real estate market through supporting reasonable housing consumption, curbing speculative investment and increasing effective supply.

On 8 March 2010, the MLR issued the Notice Regarding Issues Relating to Strengthening the Supply and Supervision of Land for Property Development (国土资源部关于加强房地产用地供应和监管有关问题的通知), which requires execution of land grant contracts within 10 working days from the land grant, payment of 50.0 per cent. of the land grant fees within one month from execution of the land grant contract, and payment of the remaining land grant fees no later than one year from execution of the land grant contract.

On 17 April 2010, the State Council issued the Notice of the State Council Regarding Curtailing the Excessively Prompt Increase in Property Prices in Certain Cities (国务院关于坚决遏制部分城市房价过快上涨的通知), which increased the minimum down-payment ratio for second property from 40.0 per cent. to 50.0 per cent. The State Council also required mortgage banks to strictly adhere to the policy of charging mortgage rates for second property at no less than 110.0 per cent. of the corresponding benchmark lending rate. The State Council required banks in cities with significant property price increases to stop lending to buyers of third property. Banks can also suspend mortgage lending to non-local residents who cannot provide tax returns or proof of social security contributions (in the city where they want to buy properties) for more than one year. The State Council also authorised local governments to restrict the number of properties an individual can buy.

On 26 May 2010, the MOHURD, the People's Bank of China, and the China Banking Regulatory Commission jointly issued the Circular on Standardising the Assessing Criteria of the Second Property for Personal Mortgage Loans (关于规范商业性个人住房贷款中第二套住房认定标准的通知), under which a stricter standard will be adopted in assessing whether a house to be bought is a second property when granting mortgage loans, in a bid to counter speculative investment activities. The new standard will be based on property ownership, not mortgage history, and the threshold for the number of houses will be determined in terms of family (including the borrower, his spouse and minor children), rather than individuals. Home buyers are required to provide a registration record from the local housing registration system when applying for mortgage loans. If it is impossible to check the purchasing record, loan applicants are required to submit a certification listing the number of homes owned by the applicant's family. The banks will examine both the number of the homes owned by the applicant's family and the applicant's previous mortgage and purchasing record. The banks will define a loan applicant as a second property buyer as long as the applicant has taken out a mortgage loan previously, or if his family has a property ownership record in the housing registration system, or if it is confirmed that his family already owns a property based on due diligence.

On 21 September 2010, the MLR and the MOHURD jointly promulgated the Notice on Further Strengthening the Administration and Control of the Lands for Real Estates and the Construction of Real Estates (关于进一步加强房地产用地和建设管理调控的通知) to tighten the examination of qualifications of land bidders.

On 26 January 2011, the General Office of the State Council further issued the Notice of the State Council on Issues relating to Further Well Managing the Central Control of the Real Estate Market (国务院办公厅关于进一步做好房地产市场调控工作有关问题的通知) which specified that:

- (i) individuals who resell a residential property within five years of purchase would be subject to a business tax on the proceeds from the resale;

- (ii) if a real estate developer fails to obtain the relevant construction permits and fails to commence construction within two years from the designation of land for property development, the relevant land use rights granted would be forfeited and an idle land penalty would be imposed;
- (iii) transfer of land and property development projects is prohibited if the amount of property development investment (excluding the land grant fee) incurred is less than 25 per cent. of the total investment amount in respect of the project; and
- (iv) in cities where the real estate market price is under rapid growth, families holding local residency and owning two or more residential properties, families holding non-local residency and owning at least one residential property and families holding non-local residency who cannot provide a local tax payment certificate or a social security certificate, are prohibited from purchasing additional residential properties in the local district.

On 27 January 2011, the MOF and the SAT issued the Notice on Adjusting the Business Tax Policies on Individual Housing Transfer (关于调整个人住房转让营业税政策的通知) pursuant to which transfers of residential property by individuals who have held them for less than five years are subject to a business tax charged on the entire sale proceeds and transfers of non-ordinary residential property by individuals who have held them for five years or more are subject to a business tax charged on the difference between the sale price and the original purchase price and transfers of ordinary residential property by individuals who have held them for five years or more are exempted from the business tax.

On 26 February 2013, the General Office of the State Council issued the Notice of the State Council on Continuity to Better Manage the Central Control Work of the Real Estate Market (国务院办公厅关于继续做好房地产市场调控工作的通知) which stipulated:

- (i) the improvement of the mechanism of work responsibility of stability of the real estate price, measures including requiring the relevant departments under the State Council to strengthen the supervision and inspection of the stability of prices. The provincial people's government shall conduct interviews if local governments in its jurisdiction fail to implement housing purchase restrictions;
- (ii) the suppression of investment purchases, measures including continuing to implement and improve the purchase restriction measures; using the effect of tax to adjust the real estate price, the tax bureau and housing construction departments shall closely coordinate and shall levy individual income tax at a tax rate of 20 per cent. on the disposal gains according to the regulations;
- (iii) the increase of the land supply for residential commercial properties, measures including that the total land supply for residential land in 2013 in principle shall be no less than the average land supply in the past five years;
- (iv) the acceleration of the planning and construction of affordable housing projects. Fully implement the task of building 4.7 million units, with new construction of 6.3 million units of affordable housing projects in 2013; and
- (v) the improvement of market supervision and enhanced management. Strengthen supervision over the credibility of real estate development enterprises; study the establishment of an inter-departmental credit management system encompassing housing and urban construction, development and reform, land and natural resources, finance, taxation, industry and commerce, statistics and other relevant departments; and ensure the timely record and announcement of any illegal activities carried out by real estate enterprises. If real estate enterprises conduct activities or have idle land, engage in land speculation, keep

properties out of the market, drive up prices and carry out other illegal acts, the relevant departments shall coordinate and intensify punishment. The land and resources department shall prohibit the enterprise from participating in land bidding, the banking financial institutions shall not grant new loans for development projects, the securities regulatory authorities shall suspend the approval of its listing, refinancing or significant asset restructuring and the banking supervision departments shall prohibit the enterprises from financing through trust scheme.

Although various control measures are intended to promote more balanced property development in the long-term, these measures could adversely affect the development and sales of certain Real Estate Properties. In addition, there is no assurance that the PRC government will not introduce additional measures from time to time to regulate the growth of the property market in the PRC. The continuation of the existing measures and the introduction of any new measures may materially and adversely affect the business, financial condition and results of operations of the Group.

There are PRC regulatory limitations on certain Real Estate Properties and/or its subsidiaries, including borrowing, raising of foreign debt, foreign investment in real estate etc..

The PRC government has taken measures to tighten the requirements for lending to property developers, which, among other things:

- (i) prohibit PRC commercial banks from granting project loans to property developers for funding the payment of land premiums;
- (ii) prohibit PRC commercial banks from granting project loans to a property developer for a project before the developer has obtained the land use right certificate, construction land planning permit, construction project planning permit and construction permit for that project;
- (iii) prohibit PRC commercial banks from granting project loans to a property developer for a project if the property developer's internal funds available for the project are less than 35.0 per cent. of the total estimated capital required for that project;
- (iv) in principle, prohibit property developers from using project loans obtained from any local banks to fund projects outside of that local region;
- (v) prudently grant or extend loans for property development projects of which, after one year from the construction commencement date stated on the land grant contract, the area of development and construction is less than one-third of the total area to be developed and constructed, or the invested amount is less than 25.0 per cent. of the total amount of stipulated investment;
- (vi) prohibit granting loans for property development projects, of which the land has been idle for more than two years; and
- (vii) require that, with respect to secured loans for land reservation purpose, the amount of financing may not exceed 70.0 per cent. of the value of the collateral provided and the term of the loan may not exceed two years in normal circumstances.

The foregoing and other initiatives that may be introduced by the PRC government may limit the Group's flexibility and ability to use bank loans or other forms of financing to finance its projects and therefore may require the Group to maintain a relatively high level of internally sourced cash.

Pursuant to the “Circular on Strengthening Administration of Approval and Filing of Foreign Investment in Real Estate Industry” (Shang Ban Zi Han [2010] No. 1542) (《商务部办公厅关于加强外商投资房地产业审批备案管理的通知》(商办资函[2010]1542号)) issued by the General Office of Ministry of Commerce of the PRC on 22 November 2010 (hereinafter referred to as the “**New Regulation**”), real estate enterprises funded by foreign capital are not permitted to make profit by purchasing and reselling real properties in the PRC that are either completed or under construction. In addition, pursuant to PRC laws and regulations, if a non-PRC entity invests in a PRC real estate company, the PRC real estate company is required to apply to the relevant Department of Commerce for it to be established as a foreign investment enterprise and, typically, the relevant Department of Commerce then reports to the provincial commerce authority for the subsequent file recording formality of foreign invested real estate enterprises with the General Office of Ministry of Commerce of the PRC (“**MOFCOM**”) (“**Real Estate File Recording Formality**”).

The New Regulation is believed to be aimed at controlling inflow of foreign capital by curtailing the practices of reselling properties for profits adopted by some foreign investors. While such a practice is not part of the Group’s investment or management strategy, the promulgation of the New Regulation is an indication that the PRC government has been imposing stricter policies on foreign investment in the real estate industry. There can be no assurance that the PRC government will not implement additional restrictions on foreign investment in the real estate industry and purchases and sales of real estate properties by foreign investors, as well as the incorporation of real estate foreign investment enterprises within the PRC which are funded by foreign capital. There can be no assurance that the PRC government will not deem any transaction of real properties or any transfer of equity in real estate companies as making profits through transaction of real estate. If the MOFCOM adopts further restrictive measures to implement the New Regulation, it may adversely affect the Group’s investments as it might be difficult for the Group to obtain approval from MOFCOM or its local counterparts with respect to matters concerning its PRC subsidiaries, and the Group may experience difficulty in remitting profits generated from its PRC subsidiaries or residual income from liquidation of PRC subsidiaries to overseas.

According to the “Notice on Improving Administration of Approval and Filing of Foreign Investment in Real Estate Industry (Shang Zi Han [2014] No. 340) (关于改进外商投资房地产备案工作的通知》(商资函[2014]340号)) jointly issued by the MOFCOM and State Administration of Foreign Exchange (“**SAFE**”) on 24 June 2014, the MOFCOM has, effective from 1 August 2014, simplified the Real Estate File Recording Formality by authorising the provincial commerce authority to directly verify the filing materials and handle the filing. However, the MOFCOM will still conduct random inspections of foreign invested real estate enterprises that have been filed.

To promote and facilitate the domestic direct investment of foreign investors and regulate the foreign exchange administration of domestic direct investment of foreign investors, the SAFE issued the Notice of the State Administration of Foreign Exchange on Issuing the Provisions on the Foreign Exchange Administration of Domestic Direct Investment of Foreign Investors and the Supporting Documents (国家外汇管理局关于印发《外国投资者境内直接投资外汇管理规定》及配套文件的通知) on 11 May 2013 and which came into effect on 13 May 2013, under which foreign investors shall register its domestic direct investment with the foreign exchange office upon the establishment or alteration of the foreign invested enterprise.

Interpretation of the PRC laws and regulations involves uncertainty.

The real estate laws and, in particular, the laws relevant to the rights of foreign investors and the entities through which they may invest, are often unclear in the PRC.

The PRC legal system is based on written statutes and prior court decisions can only be cited as reference. Since 1979, the PRC Government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of PRC laws and regulations may not be definitive. The PRC may not accord equivalent rights (or protection for such rights) to those rights investors might expect in countries with more sophisticated real estate laws and regulations.

Furthermore, the PRC is geographically large and divided into various provinces and municipalities and as such, different laws, rules, regulations and policies apply in different provinces and they may have different and varying applications and interpretations in different parts of the PRC. The PRC currently does not have any centralised register or official resources where legislation enacted by the central and local authorities is made available to the public. Legislation or regulations, particularly for local applications, may be enacted without prior notice or announcement to the public. Accordingly, the Group may not be aware of the existence of new legislation or regulations. There is at present also no integrated system in the PRC from which information can be obtained in respect of legal actions, arbitrations or administrative actions except that from 13 Nov 2014, the supreme court of PRC started a PRC Litigation Progress Information Network (中国审判流程信息公开网) from which the information of any ongoing litigations in Supreme Court and 20 provincial courts of China were made available to the general public. Even if an individual court-by-court search were performed, each court may refuse to make the documentation which it holds available for inspection. Accordingly, there is a risk that the Real Estate Properties in the PRC may be subject to proceedings which may not have been disclosed.

Agreements which are governed under PRC laws may be more difficult to enforce by legal or arbitral proceedings in the PRC than in countries with more mature legal systems. Even if the agreements generally provide for arbitral proceedings for disputes arising out of the agreements to be in another jurisdiction, it may be difficult for the Group to obtain effective enforcement in the PRC of an arbitral award obtained in that jurisdiction.

The PRC's political policies and foreign relations could affect the Group.

Investment in a selection of PRC properties entails risks of a nature and degree not typically encountered in property investments in other more developed markets. In the PRC, there is a high risk of nationalisation, expropriation, confiscation, punitive taxation, currency restriction, political changes, government regulation, political, economic or social instability or diplomatic developments which could adversely affect the value of investments made in the PRC, including the Real Estate Properties, and for which the Group may not be fairly compensated. Certain national policies may restrict foreigners investing in industries deemed sensitive to the national interest.

When the underlying land use right in the PRC expires and in the event that an extension to the land use right is sought and obtained (and there can be no assurance that such extension will be obtained as there are currently no precedent of such extension), there is uncertainty about the quantum of land grant fees which the Group will have to pay and additional conditions which may be imposed.

The underlying land use right in the PRC typically expires within 40 years for commercial development, 50 years for integrated development and 70 years for residential development.

According to PRC laws, the grantee of the land use right of non-residential land may apply for renewal at least 12 months prior to the expiry of the land use right, otherwise the land use right shall revert to the State upon expiry. If an application for extension is granted (and such grant shall be given by the PRC Government unless the land in issue is to be taken back for the purpose of public interests), the land user will be required to, among other things, pay a land grant fee for the renewed land use right. If no application is made, or such application for extension is not granted, the property shall be disposed of in accordance with the land use right grant contract. As none of the land use rights granted by the PRC Government has, at the Latest Practicable Date, run its full term, there is no precedent of such extension to provide an indication of the quantum of land grant fee which the Group will have to pay and additional conditions which may be imposed in the event that an extension to the land use rights is sought and obtained. There is no assurance that the Group which holds Beijing Tongzhou Integrated Development Phase 1, Beijing Tongzhou Integrated Development Phase 2, Chengdu East High Speed Railway Integrated Development, Xi'an North High Speed Railway Integrated Development and Zhuhai Hengqin Integrated Development will be able to obtain an extension to the land use right. In the event that the extension is not granted, the property would revert to the PRC Government and the Group would no longer own or derive income therefrom and this, along with other factors, may affect the business, financial condition and results of operations of the Group.

The PRC Real Estate Entities may be bound by the unauthorised actions of their legal representatives.

Under PRC laws, the legal representative of a company has the authority to perform all acts regarding the general administration of the company and in accordance with its corporate purpose. The legal representative is also authorised to execute powers of attorney on behalf of the company and execute any legal transactions that are within the nature and the scope of business of the company. The scope of the legal representative's authority can be limited by provisions in the company's articles of association but the company may still be held liable if the legal representative acts outside his authority. For instance, if a *bona fide* third party reasonably believes that the legal representative has the authority to contract with it, the company may be held liable to such third party. Therefore, there is no assurance that the respective legal representatives of the PRC Real Estate Entities will not act beyond their authority and cause the relevant company to be liable to a *bona fide* third party. In the event that either PRC Real Estate Entities is held liable for the unauthorised acts of its legal representative, this may have an adverse effect on the reputation or the business, financial condition, results of operations or prospects of the Group.

There is a lack of readily available, reliable and updated information on property market conditions in the PRC.

The PRC Real Estate Entities are subject to property market conditions in the PRC generally and in particular, municipal cities and provinces where they or their projects may be located. Currently, reliable and up-to-date information is generally not readily available in the PRC and in the relevant municipal cities and provinces on the amount and nature of property development and investment activities, the demand for such development, the supply of new properties being developed or the availability of land and buildings suitable for development and investment. Consequently, the Group's investment and business decisions may not, currently or in the future, be based on accurate, complete and timely information. Inaccurate information may materially and adversely affect the business decisions and financial conditions of the Group.

Risks Relating to the Group's Business Activities in Emerging Markets

Risks associated with emerging and developing markets generally.

The disruptions experienced in the international and domestic markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. The Real Estate Properties, other assets acquired in the future by the Group may be located in countries with emerging markets and may therefore be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to the Group within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence including a decrease in credit ratings, state or central bank intervention in a market or terrorist activity and conflict, could affect the price or availability of funding for entities within any of these markets.

Since the onset of the global economic crisis in 2007, certain emerging market economies have been, and may continue to be, adversely affected by market downturns and economic slowdowns elsewhere in the world. As has happened in the past, financial problems outside countries with emerging or developing economies, or an increase in the perceived risks associated with investing in such economies could dampen foreign investment in and adversely affect the economies of these countries. Investments in emerging markets are therefore subject to greater risks than more developed markets, including in some cases significant legal, fiscal, economic and political risks.

Emerging markets may have volatile and unpredictable political, legal, regulatory and economic environments.

The Real Estate Properties, other assets acquired in the future by the Group may be located in regions or countries where the political, legal, regulatory, social and economic environments can be volatile and unpredictable. Operations in these and other international markets are subject to various risks, including those relating to political and social instability, war or civil unrest, terrorist activity, general downturns in economic conditions, governmental actions or interventions (including tariffs, protectionist measures and subsidies), regulatory and taxation changes (including the imposition of unexpected taxes, tariffs or other payments), difficulties or delays in obtaining or renewing relevant permits or consents, cancellation of contractual rights and a difficulty or inability to enforce these rights or to obtain redress in the relevant courts, expropriation of assets, and an inability to repatriate profits or dividends. The occurrence of any of these events or of any other similar events may have a material adverse effect on the business, financial conditions and results of operations of the Group.

The Group has engaged in and may continue to engage in activities in certain emerging markets and countries which are or may become subject to sanctions under relevant laws and regulations of the United States and other jurisdictions.

One of the strategies undertaken by the Group is to selectively pursue real estate opportunities with a focus on emerging markets. Such emerging markets are or may become subject to sanctions administered or imposed by the United States, such as the Office of Foreign Assets Control of the U.S. Department of the Treasury (OFAC) and the U.S. Department of State as well as sanctions or measures imposed by the United National Security Council, the European Union, Her Majesty's Treasury or similar sanctions imposed by any other country (collectively, the "Sanctions"). The Group has entered into a memorandum of understanding and paid a refundable deposit in respect of a 50.00 per cent. stake in a proposed development comprising industrial, residential, commercial and other uses in the Sagaing region of Myanmar. If the Group or its

operations become subject to any Sanctions in emerging markets, such event may have a material adverse effect on the reputation, business, financial conditions and results of operations of the Group.

Growing regional autonomy in emerging markets creates an uncertain business environment and may increase costs.

In response to a rise in demand for and assertion of autonomy by local governments in emerging markets, the central governments of emerging markets may devolve autonomy to local governments, allowing the imposition by such local governments of taxes and other charges on businesses within their jurisdiction and often requiring local participation and investment in such businesses. Increased regional autonomy may increase regulation of the business of the Group in such emerging markets and increase taxes and other costs of doing business, all of which may have a material adverse effect upon the business, prospects, financial conditions, cash flows and results of operations of the Group.

The countries of emerging markets may suffer from terrorism and militant activity.

The Real Estate Properties and other assets acquired in the future by the Group may be in countries which have experienced terrorist and militant activity. There can be no assurance that further terrorist acts will not occur in the future. The fear of terrorist actions, either against the Group, the Real Estate Properties or generally, could have an adverse effect on their ability to adequately staff and/or manage their operations or could substantially increase the costs of doing so. Any future terrorist acts in such countries could destabilise those countries and increase internal divisions within their governments, and might result in concerns about stability in the region and negatively affect investors' confidence. Violent acts arising from and leading to instability and unrest have in the past had, and could continue to have, a material adverse effect on investment and confidence in, and the performance of, the economies in Southeast Asia, and in turn on businesses. Any terrorist attack, including those targeting the Group or the Real Estate Properties, could materially and adversely affect the business, results of operations, financial conditions and prospects of the Group.

Risks Relating To Financials

Full three years pro forma historical financial statements in relation to the Group are not available and the unaudited pro forma financial information contained in this Information Memorandum is not necessarily indicative of the future performance of the Group.

The Group is unable to prepare the full three years pro forma statements of total return to show the pro forma historical financial performance of the Group and the unaudited pro forma financial information contained in this Information Memorandum is not necessarily indicative of the future performance of the Group. This will make it more difficult for investors to assess the Group's likely future performance.

RISKS RELATING TO THE SECURITIES GENERALLY

The Securities are unsecured obligations of PTPL and PREHL and the rights of Securityholders may be structurally subordinated to other creditors of the Group (other than PTPL or PREHL).

Other than as set out in Condition 4 of the Notes, PTPL and PREHL may from time to time create security over their respective assets as well as the assets of the Group. The Group holds its investments in real estate projects via various joint venture structures. One such structure involves the subscription by a consortium of investors (which will include a member of the Group (other than PTPL or PREHL) as well as other third party investors) for a mix of equity instruments

and junior or subordinated bonds issued by the joint venture company. Such securities (to the extent that they are debt securities) typically share in the same pool of security as the senior loans granted to the project company but are subordinated to the senior loans since it is intended that the investors (which includes the member of the Group which has subscribed for the securities) take on the equity risks associated with the relevant project. The Group may continue to employ similar investment structures to hold its new investments in real estate projects. Such equity instruments and junior or subordinated bonds (notwithstanding that these may be accounted for as debt or other liability in accordance with generally accepted accounting principles in Singapore) are excluded from the calculation of Consolidated Net Debt (as defined in Condition 4(b) of the Notes).

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

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, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

Liquidity may have a severely adverse effect on the market value of 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.

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

Trading prices of the Securities are influenced by numerous factors, including the operating results and/or financial condition of the Issuers, the Guarantor, their respective subsidiaries, associated companies (if any) and/or joint venture companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuers, the Guarantor, their respective subsidiaries, associated companies (if any) and/or joint venture companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuers, the Guarantor, their respective subsidiaries, associated companies (if any) and/or joint venture companies (if any) operate or have business dealings, could have a material adverse effect on the business, financial performance and financial condition of the Issuers, the Guarantor, their respective subsidiaries, associated companies (if any) and/or joint venture companies (if any).

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 the Notes.

Interest rate risk.

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

Inflation risk.

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

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

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

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

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

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

Modification and waivers.

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

The terms and conditions of the Securities also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the 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) to the Trust Deed and 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 Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable.

A change in Singapore law which governs the Securities may adversely affect Securityholders.

The Securities are governed by 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.

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

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, the Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, 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. The relevant Clearing System will maintain records of their accountholders in relation to the Global Securities and Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Securities are represented by one or more Global Securities or Global Certificates, the Relevant Issuer will discharge its payment obligations under the Securities by making payments to the Common Depositary or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System.

A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Securities. The Issuers bear no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

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

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

The market values of securities issued at a substantial discount or premium to their nominal 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.

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

The Relevant Issuer will pay principal and interest or, as the case may be, distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if Securityholder's 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 (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) 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 interest or, as the case may be, distribution or principal than expected, or no interest or, as the case may be, distribution or principal.

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

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

RISKS RELATING TO THE NOTES

Singapore tax risk.

The Notes to be issued from time to time under the Programme, during the period from the date of this Information Memorandum to 31 December 2018 are, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by the MAS on 28 June 2013, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "Singapore Taxation".

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

Notes subject to optional redemption may have a lower market value than Notes that cannot be redeemed.

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

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

RISKS RELATING TO THE PERPETUAL SECURITIES

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

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

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

If Optional Payment is specified in the relevant Pricing Supplement, the Relevant 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 Relevant Issuer is subject to certain restrictions in relation to the declaration or payment of distributions on its Junior Obligations and (except on a *pro rata* basis) its Parity Obligations and the redemption and repurchase of its Junior Obligations and (except on a *pro rata* basis) its Parity Obligations in the event that it does not pay a distribution in whole or in part. The Relevant Issuer is not subject to any limit as to the number of times or the amount with respect to which the Relevant Issuer can elect not to pay distributions under the Perpetual Securities. While the Relevant 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 Relevant 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 Relevant 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 Relevant 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 Relevant Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events.

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Relevant 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 the date fixed for redemption. In addition, if specified on the relevant Pricing Supplement, the Relevant Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See "Terms and Conditions of the Perpetual Securities – Redemption and Purchase".

The date on which the Relevant 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 Relevant 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 proceedings is limited to circumstances where payment has become due and the Relevant Issuer fails to make the payment when due. The only remedy against the Relevant Issuer available to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be proving in such winding-up and/or claiming in the liquidation of the Relevant Issuer in respect of any payment obligations of the Relevant Issuer arising from the Perpetual Securities.

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

The Relevant 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 Relevant 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 Relevant 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 Relevant Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations.

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

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

Tax treatment of the Perpetual Securities is unclear.

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

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

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes, including refinancing of existing borrowings and financing of working capital, investments (including mergers and acquisitions) and/or capital expenditure requirements of the Group.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Securities in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer 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 Issuers, the Guarantor, 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 relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore 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 Issuers, the Guarantor, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

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 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 20.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

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

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

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

In addition, as the Programme as a whole is arranged by DBS Bank Ltd. and United Overseas Bank Limited, each of 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 2018 would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled “Extension and Refinement of Tax Concessions for Promoting the Debt Market” issued by MAS on 28 June 2013 (the “**MAS Circular**”), 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 of a return on debt securities for the Relevant Securities in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Securities as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed, and the inclusion by the Relevant Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for 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 Relevant Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds

used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

- (ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Securities in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Securities as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Securities paid by the Relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

- (iii) subject to:

- (aa) the Relevant Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

- (bb) the furnishing of a return on debt securities for the Relevant Securities in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Securities as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed,

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

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Relevant 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 per cent. or more of the issue of such Relevant Securities which are outstanding at any time during the life of that issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer, Qualifying Income derived from such Relevant Securities held by:

- (I) any related party of the Relevant Issuer; or

- (II) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Relevant Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax 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 the 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 is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Securities, 50.0 per cent. or more of the issue of such Relevant Securities which are outstanding at any time during the life of that issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer, Qualifying Income from such Relevant Securities derived by:

- (i) any related party of the Relevant Issuer; or
- (ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Relevant Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS scheme if the QDS conditions continue to be met.

The MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

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 the Financial Reporting Standard 39 ("**FRS 39**"), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement" (the "**FRS 39 Circular**"). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 Circular 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.

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 Relevant Issuer and the relevant Dealer(s). The Relevant Issuer may also from time to time agree with the relevant Dealer(s) that the Relevant Issuer may pay certain third party commissions (including, without limitation, rebates to private bank investors in the Securities). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Securities from the Relevant Issuer pursuant to the Programme Agreement.

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 certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act ("**Regulation S**").

Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, 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 relevant 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 relevant 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 this paragraph have the meaning given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering of such Securities) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration requirements under the Securities Act.

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 and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed 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 under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

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, any Pricing Supplement or any other document 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. (a) The name and position of each of the Directors of PREHL are set out below:

Name	Position
Mr Kuok Khong Hong @ Kuok Khoon Hong	Chairman and Non-Independent Non-Executive Director
Mr Ron Sim Chye Hock	Vice-Chairman and Non-Independent Non-Executive Director
Mr Eugene Paul Lai Chin Look	Lead Independent Non-Executive Director
Mr Chua Phuay Hee	Independent Non-Executive Director
Mr Lee Suan Hiang	Independent Non-Executive Director
Mr Pua Seck Guan	Executive Director and Chief Executive Officer

- (b) The name and position of each of the Directors of PTPL are set out below:

Name	Position
Mr Pua Seck Guan	Director
Ms Goh Hwee Peng	Director
Ms Gan Chui Chui	Director

2. Save as disclosed in paragraph 5 below, the Directors of the Issuers are not related by blood or marriage to one another nor are they related to any substantial shareholder of PREHL.
3. As at the date of this Information Memorandum, no option to subscribe for shares in, or debentures of, PREHL has been granted to, or was exercised by, any Director of PREHL or employees of the Group.
4. No option to subscribe for shares in, or debentures of, PTPL has been granted to, or was exercised by, any Director of PTPL or employees of the Group.

5. The interests of the Directors of PREHL and the substantial shareholders of PREHL in the Shares as at the Latest Practicable Date are as follows:

Name of Shareholder	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
HPRY Holdings Limited ⁽¹⁾	145,663,166	11.52	510,935,344	40.39
Perennial Real Estate Holdings Pte. Ltd. ⁽²⁾	438,178,311	34.64	72,757,033	5.75
Perennial (Capitol) Holdings Pte. Ltd.	72,757,033	5.75	–	–
Name of Director				
Kuok Khoon Hong ⁽³⁾	–	–	675,494,058	53.39
Ron Sim Chye Hock ⁽⁴⁾	154,790,805	12.24	6,552,875	0.52
Pua Seck Guan ⁽⁵⁾	524,225	0.04	510,935,344	40.39
Lee Suan Hiang ⁽⁶⁾	200,000	0.01	200,000	0.01

Notes:

- (1) HPRY Holdings Limited's deemed interest in the shares arises from its shareholdings in Perennial Real Estate Holdings Pte. Ltd. and Perennial (Capitol) Holdings Pte. Ltd.
- (2) Perennial Real Estate Holdings Pte. Ltd.'s deemed interest in the shares arises from its shareholding in Perennial (Capitol) Holdings Pte. Ltd.
- (3) Mr Kuok Khoon Hong's deemed interest in the shares arises from his shareholdings in Perennial Real Estate Holdings Pte. Ltd., Perennial (Capitol) Holdings Pte. Ltd., HPRY Holdings Limited, Hong Lee Holdings (Pte) Ltd, Longhlin Asia Limited, through Madam Yong Lee Lee (spouse of Mr Kuok Khoon Hong) and through Langton Enterprise Ltd, a company wholly-owned by Madam Yong Lee Lee.
- (4) Mr Ron Sim Chye Hock's deemed interest in the shares arises from his shareholdings in OSIM International Ltd, and through Madam Teo Sway Heong (spouse of Mr Ron Sim Chye Hock).
- (5) Mr Pua Seck Guan's deemed interest in the shares arises from his shareholdings in Perennial Real Estate Holdings Pte. Ltd. and Perennial (Capitol) Holdings Pte. Ltd.
- (6) Mr Lee Suan Hiang is deemed to be interested in the 200,000 shares held by DBS Nominees Pte. Ltd.

SHARE CAPITAL

6. As at the date of this Information Memorandum, there is only one class of ordinary shares in PREHL. The rights and privileges attached to the Shares are stated in the Articles of Association of PREHL.
7. As at the date of this Information Memorandum, there is only one class of ordinary shares in PTPL. The rights and privileges attached to the shares of PTPL are stated in the Articles of Association of PTPL.
8. The issued share capital of PREHL as at the Latest Practicable Date is as follows:

Share Designation	Issued Share Capital	
	Number of Shares	Amount
Ordinary Shares	1,265,102,374	S\$1,679,070,656.21

9. The issued share capital of PTPL as at the Latest Practicable Date is as follows:

Share Designation	Issued Share Capital	
	Number of Shares	Amount
Ordinary Shares	1	S\$1.00

BORROWINGS

10. Save as disclosed in Appendix II, the Group had as at 31 March 2014 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

11. The Directors of the Issuers are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, the Issuers and the Guarantor will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

12. There has been no significant change in the accounting policies of PREHL since 27 October 2014 (being the date of completion of the RTO).

LITIGATION

13. There are no legal or arbitration proceedings pending or threatened against the Issuers, the Guarantor or any of their respective subsidiaries the outcome of which may have or have had as at the date of this Information Memorandum a material adverse effect on the financial position of either Issuer, the Guarantor or the Group.

MATERIAL ADVERSE CHANGE

14. There has been no material adverse change in the financial condition or business of either Issuer, the Guarantor or the Group since the date of the unaudited pro forma consolidated financial information of the Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 contained in this Information Memorandum (taking into account the assumptions set out therein).

CONSENTS

15. KPMG LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

16. Copies of the following documents may be inspected at the registered office of the Issuers at 6 Temasek Boulevard, #25-04/05, Suntec Tower Four, Singapore 038986 during normal business hours:
- (a) the Memorandum and Articles of Association of the Issuers;
 - (b) the Trust Deed;

- (c) the letter of consent referred to in paragraph 15 above; and
- (d) the unaudited pro forma consolidated financial information of the Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

17. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

**UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF
THE GROUP FOR THE 12 MONTHS ENDED 31 DECEMBER 2013 AND
THE THREE MONTHS ENDED 31 MARCH 2014**

The information in this Appendix II has been extracted from the unaudited pro forma consolidated financial information of the Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 included in the Circular dated 18 September 2014 issued by PREHL in respect of, inter alia, the approval of the proposed acquisition described therein and has not been specifically prepared for inclusion in this Information Memorandum.

REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors and
Proposed Board of Directors of the Enlarged Group
St. James Holdings Limited
3 Sentosa Gateway #01-01
Singapore 098544

Dear Sirs

Report on the Unaudited Pro Forma Consolidated Financial Information Included in the Circular of St. James Holdings Limited

Capitalised terms not defined herein shall have the meaning set out in the Circular

We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information of St. James Holdings Limited (the "Company") and its subsidiaries (the "Enlarged Group") by the management of the Company and Perennial Real Estate Holdings Pte. Ltd. (collectively, the "Management"). The unaudited pro forma consolidated financial information of the Enlarged Group consists of the pro forma consolidated statement of financial position as at 31 December 2013 and 31 March 2014, and the pro forma consolidated statement of comprehensive income and pro forma consolidated statement of cash flows for the 12 months ended 31 December 2013 and the three months ended 31 March 2014, and related information (the "Unaudited Pro Forma Consolidated Financial Information") as set out on pages I-1 to I-46 of the circular (the "Circular") issued in connection with:

- the proposed acquisition of effective interests in the target assets (the "Target Entities"), which hold equity interests in certain property assets and management business (together, the "Target Assets") from Perennial Real Estate Holdings Pte. Ltd., Mr Ron Sim and certain other vendors ("Proposed Acquisition");
- the proposed disposal of the existing business of the Company in its entirety to NewCo and the capital reduction by way of a cancellation of share capital no longer represented by available assets and a distribution in specie of all the issued NewCo Shares to the shareholders of the Company by way of a capital reduction (the "Proposed Distribution"); and
- the proposed share consolidation upon the completion of the Proposed Acquisition to consolidate every 50 shares in the Company (the "Shares") into one Share (the "Proposed Share Consolidation").

(collectively the "Proposed Transactions"); and

- the proposed voluntary offer to acquire all the remaining units of Perennial China Trust ("PCRT") (other than the units already owned, controlled or agreed to be acquired by the Company) in exchange for new Shares in the Company to be issued to PCRT unitholders ("Proposed PCRT Voluntary Offer").

The Unaudited Pro Forma Consolidated Financial Information of the Company and its subsidiaries has been prepared for illustrative purposes only and are based on certain assumptions, after making certain adjustments. The applicable criteria (the "Criteria") on the basis of which the Management has compiled the Unaudited Pro Forma Consolidated Financial Information are described in Note 2.

The Unaudited Pro Forma Consolidated Financial Information has been compiled by the Management to illustrate the impact of the Proposed Transactions set out in Note 1.1 on:

- (a) the Enlarged Group's financial position as at 31 December 2013 and 31 March 2014 as if the Proposed Transactions had taken place on 31 December 2013 and 31 March 2014 respectively; and
- (b) the Enlarged Group's financial performance and cash flows for the 12 months ended 31 December 2013 and three months ended 31 March 2014 as if the Proposed Transactions had taken place on 1 January 2013.

As part of this process, information about the Enlarged Group's financial position, financial performance and cash flows has been compiled based on the following:

- (a) the unaudited consolidated financial statement of the Company and its subsidiaries (the "St. James Group") for the 12 months ended 31 December 2013 were prepared in accordance with Singapore Financial Reporting Standards. The statutory financial year end of St. James Holdings Limited is that of 30 June. For the purposes of the preparation of the Unaudited Pro Forma Consolidated Financial Information of the Pro Forma Enlarged Group, financial statements for St. James Group have been prepared for the 12 months ended 31 December 2013 and three months ended 31 March 2014; and
- (b) the unaudited pro forma consolidated financial information of the Target Entities for the 12 months ended 31 December 2013 and three months ended 31 March 2014. These unaudited pro forma financial information were prepared in accordance with the accounting policies in its latest audited financial statements of the Target Entities and the basis of the applicable criteria specified in Note 4 to the Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group.

The Management's responsibility

The Management is responsible for compiling the Unaudited Pro Forma Consolidated Financial Information on the basis of the Criteria.

Reporting Accountants' responsibility

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, by the Management on the basis of the Criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements ("SSAE") 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants (the "ISCA"). This standard requires that the Reporting Accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the pro forma consolidated financial information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information.

The purpose of the Unaudited Pro Forma Consolidated Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Enlarged Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the respective dates would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the Criteria used by the Management in the compilation of the Unaudited Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those Criteria; and
- the Unaudited Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Reporting Accountants' judgement, having regard to his understanding of the nature of the Enlarged Group, event or transaction in respect of which the Unaudited Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Consolidated Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Consolidated Financial Information has been compiled:
 - (i) in a manner consistent with the accounting policies of the Company and Enlarged Group, which are in accordance with Singapore Financial Reporting Standards; and
 - (ii) on the basis of the Criteria stated in Note 2 of the Unaudited Pro Forma Consolidated Financial Information; and
- (b) each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Consolidated Financial Information is appropriate for the purpose of preparing such unaudited financial information.

We draw attention to the effects of the Proposed PCRT Voluntary Offer and its basis of preparation as set out in Note 12. The effects are not intended to be a forecast and are for illustrative purposes only. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions described in Note 12 occur, actual results are still likely to be different from the effects disclosed since other anticipated events frequently do not occur as expected and the variation may be material.

This letter has been prepared for inclusion in the Circular of the Company to be issued in connection with the Proposed Transactions by the Company.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
18 September 2014

Karen Lee Shu Pei
Partner



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Private and confidential
The Board of Directors and
Proposed Board of Directors of the Enlarged Group
St. James Holdings Limited
3 Sentosa Gateway
Singapore 098544

Our ref KAL/GKC

Contact Karen Lee
+65 6213 3086

18 September 2014

Dear Sirs

Agreed-upon procedures on the Statement of Estimated NAV Contribution

We have performed the procedures agreed with the management of the St. James Holdings Limited (the "Company") and Perennial Real Estate Holdings Pte Ltd (collectively, the "Management") and enumerated below, in respect of the estimated NAV contribution, in connection with the proposed acquisitions of effective interests in certain real estate assets and businesses from Perennial Real Estate Holdings Pte. Ltd. and other vendors. Management is responsible for the sufficiency (nature, timing and extent) of the agreed-upon procedures for its purpose. Our responsibility is to issue a report on the Statement of Estimated NAV Contribution (as extracted in the Appendix to this report) based on the agreed-upon procedures, for the purpose of your compliance with Rule 25 of the Singapore Code on Takeovers and Mergers, and for no other purpose.

Our engagement was undertaken in accordance with the Singapore Standard on Related Services 4400 – *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information* applicable to agreed-upon procedures engagements.

The procedures carried out are summarised as follows:

1. Agree the estimated NAV contribution (RMB) of each PRC asset to schedules prepared by management.
 - 1.1 Check the arithmetic accuracy of the subtotal of the estimated NAV contribution (RMB) – PRC Assets; and
 - 1.2 Check the arithmetic accuracy of the estimated NAV contribution in Singapore dollar (SGD) – PRC Assets by applying the exchange rate of S\$1 : RMB4.843.
2. Agree the estimated NAV contribution (SGD) of each SG Asset to schedules prepared by management.
 - 2.1 Check the arithmetic accuracy of the subtotal of the estimated NAV contribution (SGD) – SG Assets.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



We report our findings below:

1. The estimated NAV contribution (RMB) of each PRC asset agreed to schedules prepared by management.
 - 1.1 The subtotal of the estimated NAV contribution (RMB) – PRC Assets is arithmetically accurate; and
 - 1.2 The subtotal of estimated NAV contribution in Singapore dollar (SGD) – PRC Assets is arithmetically accurate by applying the exchange rate of S\$1: RMB4.843.
2. The estimated NAV contribution (SGD) of each SG Asset agreed to schedules prepared by management.
 - 2.1 The subtotal of the estimated NAV contribution (SGD) – SG Asset is arithmetically accurate.

The above procedures do not constitute either an audit or a review made in accordance with Singapore Standards on Auditing or Singapore Standards on Assurance Engagements and, consequently, we do not express any assurance on the Statement of Estimated NAV Contribution. Had we performed additional procedures or had we performed an audit or a review in accordance with Singapore Standards on Auditing or Singapore Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and is not to be used, quoted or referred to, in whole or in part, for any other purpose or to be made available to any other party without our prior written consent. We do not accept responsibility and we expressly disclaim liability for loss occasioned to any other party acting or refraining from acting as a result of our report. This report relates only to the balances and items specified above and do not extend to any financial statements of the Company, taken as a whole.

Yours faithfully

KPMG LP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

Enclosure: Statement of Estimated NAV Contribution

Statement of Estimated NAV Contribution

PRC Assets		Estimated NAV contribution (RMB mil)
Beijing Tongzhou Integrated Development	Phase 1	544.7
	Phase 2	417.3
Chengdu East HSR Integrated Development	Plot C	423.8
	Plot D	378.9
Xi'an North HSR Integrated Development	Plot 4	533.3
	Plot 5	297.4
Zhuhai Hengqin Integrated Development		230.9
Sub-total (RMB mil)		2,826.3
Sub-total (SGD mil)		583.6

SG Assets		Estimated NAV contribution (SGD mil)
TripleOne Somerset		133.5
Capitol Singapore		26.8
CHJMES		8.7
Sub-total (SGD mil)		169.0



Notes to the unaudited pro forma consolidated financial information

1. Introduction

St. James Holdings Limited (the “Company”) is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in the Republic of Singapore. Its registered office is at 3 Sentosa Gateway, Singapore 098544, which is also its principal place of business. The principal activity of the Company is investment holding.

1.1 Proposed Transactions

The Company proposes to acquire from Perennial Real Estate Holdings Pte. Ltd. (“PREH”) and other vendors effective equity interests in the following real estate assets and businesses pursuant to the terms and conditions of the conditional acquisition agreements dated 14 March 2014 as amended, modified or supplemented by the supplemental agreements dated 8 September 2014 (the “Acquisition Agreements”):

- interests ranging from 20.00 per cent. to 51.00 per cent. in integrated real estate development projects located in Beijing¹, Chengdu, Xi’an and Zhuhai in the People’s Republic of China (the “PRC”) with approximately 23.2 million square feet (“sq ft”) in total gross floor area (“GFA”);
- interests ranging from approximately 1.46 per cent. to approximately 51.61 per cent. in real estate projects located in Singapore (being CHIJMES, TripleOne Somerset, Capitol Singapore, House of Tan Yeok Nee, Chinatown Point and 112 Katong) with over 2.0 million sq ft in total GFA;
- approximately 28.03 per cent. effective interest in Perennial China Retail Trust (“PCRT”); and
- management businesses and certain other Target Entities,

the aggregate purchase consideration for which is approximately S\$1.56 billion² to be satisfied ultimately by the allotment and issuance of new shares (the “Consideration Shares”) in the Company which shall, on issue, represent approximately 99.27 per cent. of the Enlarged Share Capital of the Company (the “Proposed Acquisition”).

The Company proposes to return its Existing Business to all existing shareholders on a pro-rata basis, via a distribution in specie of all the issued shares in a newly incorporated wholly owned subsidiary of the Company, being CityBar Holdings Pte Ltd (“NewCo”) to which the Existing Business will be transferred. NewCo will be converted into a public company limited by shares prior to the distribution.

A special purpose vehicle has been set up to make, for and on behalf of the Company’s Controlling Shareholders (as defined herein), an exit offer (the “Exit Offer”) in cash to the shareholders of NewCo in respect of the ordinary shares in the capital of NewCo (“NewCo Shares”) that have been distributed in specie, save for NewCo Shares owned, controlled or agreed to be acquired by the Company’s Controlling Shareholders as at the date the Exit Offer is open for acceptance (the “Exit Offer Shares”). The Exit Offer will only be open for acceptance upon certain conditions being satisfied.

After control of the Company has changed upon the acquisition of the Target Assets, the Company proposes to make a voluntary offer to acquire all the remaining units of PCRT (“Units”) (other than Units already owned, controlled or agreed to be acquired by the Company) in exchange for new shares of the Company to be issued to PCRT unitholders (“Proposed PCRT Voluntary Offer”).

1.1.1 Proposed Acquisition

(a) Details of the Proposed Acquisition (as defined herein) are as follows:

- Proposed Initial Acquisition refers to the proposed acquisition in relation to all Target Assets, save for Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2 under the Deferred Beijing Acquisition, and the Deferred PREPL Shares under the Deferred PREPL Acquisition (as defined herein). Completion of the Proposed Initial Acquisition in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “Proposed Initial Acquisition Closing”.
- Deferred Beijing Acquisition refers to the proposed acquisition in relation to Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2. Completion of the Deferred Beijing Acquisition in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “Deferred Beijing Acquisition Closing”.

¹ Assuming Deferred Beijing Acquisition has taken place.

² Subject to adjustments for NAV of the Target Entities.

1. Introduction (cont'd)

1.1 Proposed Transactions (cont'd)

1.1.1 Proposed Acquisition (cont'd)

- Deferred PREPL Acquisition refers to the proposed acquisition on 27 July 2016 of 51.00 per cent. of the issued ordinary shares of PREPL (“Deferred PREPL Shares”) that are held by Mr Pua Seck Guan. Completion of the Deferred PREPL Acquisition in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “Deferred PREPL Acquisition Closing”.
- Deferred Acquisitions refers to the Deferred Beijing Acquisition and the Deferred PREPL Acquisition. Completion of the Deferred Acquisitions in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “Deferred Acquisitions Closing”.
- Proposed Acquisition refers to the Proposed Initial Acquisition and the Deferred Acquisitions. Completion of the Proposed Acquisition in accordance with the terms and conditions of the Acquisition Agreements shall be referred to as “Proposed Acquisition Closing”.

The Proposed Acquisition will take place in stages. The Target Assets that are the subject of the Proposed Initial Acquisition (the “Proposed Initial Acquisition Target Assets”) comprise all Target Assets, save for Beijing Tongzhou Integrated Development Phase 1 and Beijing Tongzhou Integrated Development Phase 2 under the Deferred Beijing Acquisition, and the Deferred PREPL Shares under the Deferred PREPL Acquisition.

(b) Target Entities

The Company has entered into the Acquisition Agreements to acquire:

- (i) 2,751,104 ordinary shares in Perennial Tongzhou Development Pte. Ltd., comprising approximately 39.47 per cent. of the issued ordinary shares in the capital of Perennial Tongzhou Development Pte. Ltd., representing approximately 30.00 per cent. effective equity interest in Beijing Tongzhou Integrated Development Phase 1;
- (ii) 111,610 ordinary shares in Perennial Tongzhou Holdings Pte. Ltd., comprising approximately 46.60 per cent. of the issued ordinary shares in the capital of Perennial Tongzhou Holdings Pte. Ltd., representing approximately 23.30 per cent. effective equity interest in Beijing Tongzhou Integrated Development Phase 2;
- (iii) all the issued shares of Perennial Chenghua C Pte. Ltd. and Perennial Chenghua D Pte. Ltd. representing in aggregate a 50.00 per cent. equity interest in Chengdu East High Speed Railway Integrated Development;
- (iv) all the issued shares of Perennial Xi'an Development Holding 1 Pte. Ltd. and Perennial Xi'an Development Holding 2 Pte. Ltd. representing in aggregate a 51.00 per cent. equity interest in Xi'an North High Speed Railway Integrated Development;
- (v) all the issued shares of Perennial Hengqin Investment Pte. Ltd. representing a 20.00 per cent. effective equity interest in Zhuhai Hengqin Integrated Development;
- (vi) 128 ordinary shares in Perennial (CHIJMES) Pte. Ltd. comprising approximately 51.61 per cent. of the issued ordinary shares in the capital of Perennial (CHIJMES) Pte. Ltd. and subordinated bonds issued by Perennial (CHIJMES) Pte. Ltd., representing approximately 51.61 per cent. equity interest in CHIJMES;
- (vii) 1,149,580 ordinary shares in Perennial Somerset Investors Pte. Ltd. comprising approximately 50.20 per cent. of the issued ordinary shares in the capital of Perennial Somerset Investors Pte. Ltd., 1,149,580 preference shares in Perennial Somerset Investors Pte. Ltd. comprising approximately 50.20 per cent. of the issued preference shares in the capital of Perennial Somerset Investors Pte. Ltd. and subordinated bonds issued by Perennial Somerset Investors Pte. Ltd., representing in aggregate a 50.20 per cent. interest in TripleOne Somerset;
- (viii) all the issued shares of Perennial (Capitol) Pte. Ltd. and New Capitol Pte. Ltd., representing an equity interest of 50.00 per cent. in Capitol Singapore;
- (ix) all the issued shares of Perennial TYN Investment Pte. Ltd., representing a 50.00 per cent. equity interest in the House of Tan Yeok Nee;
- (x) 1,338,751 ordinary shares in PRE 3 Investments Pte. Ltd., comprising approximately 10.64 per cent. of the issued ordinary shares in the capital of PRE 3 Investments Pte. Ltd., representing approximately 1.47 per cent. equity interest in Chinatown Point retail podium and four strata office units;

1. Introduction (cont'd)

1.1 Proposed Transactions (cont'd)

1.1.1 Proposed Acquisition (cont'd)

- (xi) nine preference shares in PRE 1 Investments Pte. Ltd. and subordinated bonds issued by PRE 1 Investments Pte. Ltd., representing approximately 1.46 per cent. equity interest in 112 Katong;
- (xii) 299,143,763 units in PCRT representing approximately 26.11 per cent. of the issued units;
- (xiii) all the issued Shares of PRE 2 Investments Pte. Ltd., Perennial (China) Retail Management Pte. Ltd., Perennial (Singapore) Asset Management Pte. Ltd. and Perennial (Singapore) Retail Management Pte. Ltd. and 49.00 per cent. of the issued shares of PREPL;
- (xiv) all the issued shares of Perennial EM Holdings Pte. Ltd., being an entity with investments into a proposed development project in Myanmar; and
- (xv) all the issued shares of Perennial Treasury Pte. Ltd..

In addition, the Company has agreed to acquire 51.00 per cent. of the issued shares of PREPL from Mr Pua Seck Guan, with completion expected to take place on 27 July 2016.

1.1.2 Proposed Disposal and Proposed Distribution

In conjunction with the Proposed Acquisition, the Company also announced the proposed disposal (the "Proposed Disposal of the Existing Business") of its shareholding interests in all its subsidiaries and associated companies and all other assets and liabilities relating to its Existing Business to NewCo will be undertaken pursuant to the terms and conditions of a business transfer agreement to be entered into between the Company and NewCo (the "Business Transfer Agreement"). The consideration for the Proposed Disposal of the Existing Business will be satisfied by the allotment and issuance by NewCo of shares of NewCo (the "NewCo Shares") to the Company. In connection with the Proposed Disposal of the Existing Business, the Company proposes a capital reduction by way of a cancellation of share capital no longer represented by available assets and a distribution in specie of all the issued NewCo Shares to the shareholders of the Company by way of a capital reduction (the "Proposed Distribution").

1.1.3 Proposed Share Consolidation

As the number of Shares in the Company will be considerably enlarged after the Proposed Acquisition, the Company proposes to consolidate the number of Shares in issue following Proposed Initial Acquisition Closing on the basis of 50 Shares to one Share (the "Proposed Share Consolidation").

1.2 Scenario A and Scenario B

Financial related information regarding the Target Assets has been prepared after taking into account the Proposed Acquisition, the Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation, and under the following scenarios:

- (i) Scenario A: Where only the Proposed Initial Acquisition Closing has taken place, such that only the acquisition in relation to the Proposed Initial Acquisition Target Assets has been completed in accordance with the terms and conditions of the Acquisition Agreements.
- (ii) Scenario B: Where the Proposed Acquisition Closing has taken place, such that the acquisition in relation to the Initial Acquisition Target Assets, the Beijing Target Assets and the Deferred PREPL Acquisition have been completed in accordance with the terms and conditions of the Acquisition Agreements.

The unaudited pro forma consolidated financial information of the Company and its subsidiaries after completion of the Proposed Acquisition (the "Enlarged Group"), comprising the unaudited pro forma consolidated financial position of the Enlarged Group as at 31 December 2013 and 31 March 2014, the unaudited pro forma consolidated statements of comprehensive income and unaudited pro forma consolidated statements of cash flows of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 ("Unaudited Pro Forma Consolidated Financial Information"), has been prepared for inclusion in the circular to the shareholders (the "Circular") of the Company.

2. Basis of preparation of the Unaudited Pro Forma Consolidated Financial Information

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only, and based on certain assumptions and after making certain adjustments, to show what:

- (a) the unaudited pro forma financial position of the Enlarged Group as at 31 December 2013 and 31 March 2014 would have been if the Proposed Acquisition, Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation had occurred on 31 December 2013 and 31 March 2014 respectively;
- (b) the unaudited pro forma financial results of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 would have been if the Proposed Acquisition, the Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation had occurred on 1 January 2013; and
- (c) the unaudited pro forma cash flows of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 would have been if the Proposed Acquisition, the Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation had occurred on 1 January 2013.

Financial related information regarding the Target Assets has been prepared after taking into account the Proposed Acquisition, the Proposed Disposal of the Existing Business, the Proposed Distribution and the Proposed Share Consolidation, and under the following scenarios:

- (i) Scenario A: Where only the Proposed Initial Acquisition Closing has taken place, such that only the acquisition in relation to the Proposed Initial Acquisition Target Assets has been completed in accordance with the terms and conditions of the Acquisition Agreements.
- (ii) Scenario B: Where the Proposed Acquisition Closing has taken place, such that the acquisition in relation to the Proposed Initial Acquisition Target Assets, the Beijing Target Assets and the Deferred PREPL Acquisition have been completed in accordance with the terms and conditions of the Acquisition Agreements.

The objective of the unaudited pro forma consolidated financial statements is to show what the historical information would have been had the Company acquired these Target Assets on the dates mentioned above. However, the unaudited pro forma consolidated financial statements are not necessarily indicative of the results of the operations or the related effects on the financial position that would have been attained had the Enlarged Group existed on those dates.

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and, because of their nature, may not give a true picture of the Enlarged Group's actual financial position, financial performance or cash flows.

The Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 have been compiled based on:

- (a) the unaudited financial information of the Company and its subsidiaries (the "St. James Group") for the period from 1 January 2013 to 31 December 2013 and the nine months from 1 July 2013 to 31 March 2014;
- (b) the audited financial statements of Perennial Tongzhou Development Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Perennial Tongzhou Development Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (c) the audited financial statements of Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (d) the audited financial statements of Perennial Xi'an Development Holding 1 Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Perennial Xi'an Development Holding 1 Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (e) the audited financial statements of Perennial Xi'an Development Holding 2 Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Perennial Xi'an Development Holding 2 Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (f) the audited financial statements for the period from 7 January 2013 to 31 December 2013 and unaudited management financial statements of Perennial Chenghua C Pte. Ltd. and Perennial Chenghua D Pte. Ltd for the three months ended 31 March 2014;

2. Basis of preparation of the Unaudited Pro Forma Consolidated Financial Information (cont'd)

- (g) the unaudited management financial statements of Perennial Hengqin Investment Pte. Ltd. for the three months ended 31 March 2014;
- (h) the audited financial statements of Perennial (CHIJMES) Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial (CHIJMES) Pte. Ltd. for the three months ended 31 March 2014;
- (i) the unaudited management financial statements of Perennial Somerset Investors Pte. Ltd. for the period ended 31 December 2013 and for the three months ended 31 March 2014;
- (j) the audited financial statements of Perennial (Somerset) Pte. Ltd. (formerly known as AREIF (Singapore I) Pte. Ltd.) for the year ended 31 December 2013 and unaudited management financial statements of Perennial (Somerset) Pte. Ltd. for the three months ended 31 March 2014;
- (k) the audited financial statements of Capitol Investment Holdings Pte. Ltd. and its subsidiaries for the year ended 31 December 2013 and unaudited management financial statements of Capitol Investment Holdings Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014;
- (l) the audited financial statements of Perennial TYN Investment Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial TYN Investment Pte. Ltd. for the three months ended 31 March 2014;
- (m) the audited financial statements of PRE 1 Investments Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of PRE 1 Investments Pte. Ltd. for the three months ended 31 March 2014;
- (n) the audited financial statements of PRE 3 Investments Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of PRE 3 Investments Pte. Ltd. for the three months ended 31 March 2014;
- (o) the audited financial statements of Perennial China Retail Trust for the year ended 31 December 2013 and unaudited management financial statements of Perennial China Retail Trust for the three months ended 31 March 2014;
- (p) the audited financial statements of Perennial Real Estate Pte. Ltd. ("PREPL") for the year ended 31 December 2013 and unaudited management financial statements of Perennial Real Estate Pte. Ltd. for the three months ended 31 March 2014;
- (q) the audited financial statements of PRE 2 Investments Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of PRE 2 Investments Pte. Ltd. for the three months ended 31 March 2014;
- (r) the audited financial statements of Perennial (China) Retail Management Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial (China) Retail Management Pte. Ltd. for the three months ended 31 March 2014;
- (s) the audited financial statements of Perennial (Singapore) Asset Management Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial (Singapore) Asset Management Pte. Ltd. for the three months ended 31 March 2014;
- (t) the audited financial statements of Perennial (Singapore) Retail Management Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial (Singapore) Retail Management Pte. Ltd. for the three months ended 31 March 2014; and
- (u) the audited financial statements of Perennial China Retail Trust Management Pte. Ltd. for the year ended 31 December 2013 and unaudited management financial statements of Perennial China Retail Trust Management Pte. Ltd. for the three months ended 31 March 2014.

The auditors' report on the financial statements of AREIF (Singapore I) Pte Ltd (now known as Perennial (Somerset) Pte. Ltd.) ("AREIF(S)") for the year ended 31 December 2013 was modified and subjected to an emphasis of matter in relation to the ability of AREIF(S) to continue as a going concern, which is dependent on (i) the undertaking by the former shareholders of AREIF(S) not to recall the shareholders' loans provided to AREIF(S) and its accrued loan interest up to the completion of the sale of AREIF(S) to Perennial 111 Somerset Pte. Ltd. or for 12 months from the date of the director's report whichever is earlier; and (ii) the completion of the sale of the entire issued and paid-up ordinary share capital of AREIF(S), whereby the bank loans, shareholders' loans and its accrued loan interest will be settled as part of the consideration. On 31 March 2014, the sale of the entire issued and paid-up ordinary share capital of AREIF(S) was completed. Upon completion of the sale, Perennial Somerset

2. Basis of preparation of the Unaudited Pro Forma Consolidated Financial Information (cont'd)

Investors Pte Ltd, the penultimate holding company, had put in place a new financing structure, including a refinancing of the bank loans of AREIF(S) and the settlement of the shareholders' loans and accrued loan interest owing to the former shareholders.

The auditors' reports on the financial statements for the year ended 31 December 2013 of the Target Entities, save for Capitol Investment Holdings Pte. Ltd, of which we are the auditors were not subject to any qualifications, modifications or disclaimers.

The auditors' reports on the financial statements for the year ended 31 December 2013 of the Capitol Investment Holdings Pte. Ltd and its subsidiaries, of which Ernst & Young LLP Singapore, Public Accountants and Chartered Accountants are the auditors were not subject to any qualifications, modifications or disclaimers.

The unaudited management financial statements of the Target Entities, save for Capitol Investment Holdings Pte. Ltd., Capitol Retail Management Pte. Ltd. and Capitol Hotel Management Pte. Ltd., for the three months ended 31 March 2014 were prepared in accordance with the basis of the applicable criteria specified in Note 4 to the Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group and were reviewed by KPMG LLP Singapore, Public Accountants and Chartered Accountants.

The unaudited management financial statements of Capitol Investment Holdings Pte. Ltd. and its subsidiaries for the three months ended 31 March 2014 were prepared in accordance with the basis of the applicable criteria specified in Note 4 to the Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group and were reviewed by Ernst & Young LLP Singapore, Public Accountants and Chartered Accountants.

In arriving at the Unaudited Consolidated Pro Forma Financial Information, the following key adjustments were made in order to reflect Scenario A or Scenario B, as the case may be:

- Adjustments to account for the Proposed Initial Acquisition, Proposed Disposal of the Existing Business and Proposed Distribution; and
- Adjustments to reflect (i) the acquisition of Beijing Target Assets; and (ii) Deferred PREPL Acquisition was completed.

Unaudited Pro Forma Consolidated Statements of Financial Position

The Unaudited Pro Forma Consolidated Statements of Financial Position as at 31 December 2013 and 31 March 2014 have been prepared to reflect the financial position of the Enlarged Group had the Enlarged Group been in place and completed the Proposed Acquisition, Proposed Disposal of the Existing Business, Proposed Distribution and Proposed Share Consolidation on 31 December 2013 and 31 March 2014, respectively.

In arriving at the Unaudited Pro Forma Consolidated Statements of Financial Position, the following additional key adjustments were made:

- Adjustments to account for new bank borrowings of S\$150.00 million; and
- Adjustments to account for the accrual of professional fees and other expenses relating to the Proposed Transactions of S\$9.64 million. S\$4.81 million is recognised as a deduction from equity of which S\$1.28 million is satisfied through the issuance of shares;

In addition, the following key assumptions were made:

- The consideration transferred in connection with the Proposed Acquisition is equivalent to the value of Consideration Shares at an assumed price of approximately S\$1.3353 per Consideration Share;
- None of the outstanding share options of the Company has been exercised;
- The Perennial Employee Share Option Scheme 2014 has not been effected; and
- The exchange rates are assumed to be as follows:

	As at 31 December 2013	As at 31 March 2014
S\$ and RMB	S\$1.00: RMB4.8430	S\$1.00: RMB4.938

2. Basis of preparation of the Unaudited Pro Forma Consolidated Financial Information (cont'd)

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income have been prepared to reflect the financial performance of the Enlarged Group had the Enlarged Group been in place and the Proposed Acquisition, Proposed Disposal of its Existing Business, Proposed Distribution and Proposed Share Consolidation have been completed on 1 January 2013.

In arriving at the Unaudited Pro Forma Consolidated Statements of Comprehensive Income, the following additional key adjustments were made:

- Adjustments to account for amortisation of intangible assets of S\$4.87 million for the 12 months ended 31 December 2013 and S\$1.22 million for the three months ended 31 March 2014;
- Adjustments to account for professional fees and other expenses relating to the Proposed Transactions of S\$4.83 million incurred for the 12 months ended 31 December 2013; and
- Adjustments to account for higher finance costs of S\$5.10 million for the 12 months ended 31 December 2013 and S\$1.28 million for the three months ended 31 March 2014 arising from a change in the financing structure relating to Perennial (Somerset) Investors Pte. Ltd..

In addition, the following key assumptions were made for each of the periods presented:

- The fair value of the investment properties held by the subsidiaries, associates and joint ventures relating to the Proposed Acquisition was based on historical valuations as at 1 January 2013, save for TripleOne Somerset which was based on the actual acquisition price on the date of acquisition for the 12 months ended 31 December 2013;
- The Perennial Employee Share Option Scheme 2014 has not been effected; and
- The exchange rates are assumed to be as follows:

	12 months ended 31 December 2013	Three months ended 31 March 2014
S\$ and RMB	S\$1.00: RMB4.9263	S\$1.00: RMB4.7899

Unaudited Pro Forma Consolidated Statements of Cash Flows

The Unaudited Pro Forma Consolidated Statements of Cash Flows have been prepared to reflect the cash flows of the Enlarged Group had the Enlarged Group been in place and the Proposed Acquisition, Proposed Disposal of its Existing Business, Proposed Distribution and Proposed Share Consolidation have been completed on 1 January 2013.

In arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows, the following key adjustment was made to account for the distributions received from PCRT of S\$11.8 million and S\$5.7 million for the 12 months ended 31 December 2013 and three months ended 31 March 2014 respectively.

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014

The following adjustments have been made in arriving at the Unaudited Pro Forma Consolidated Statements of Financial Position as at 31 December 2013 and 31 March 2014:

	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	Pro forma adjustments (see notes below) (b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
31 December 2013						
Non-current assets						
Plant and equipment	5,729	170	(5,729)	170	-	170
Investment properties	-	1,243,000	-	1,243,000	-	1,243,000
Associates and joint ventures	217	929,083	(217)	929,083	648,510	1,577,593
Intangible assets	-	108,616	-	108,616	7,748	116,364
Other financial assets	1,117	4,821	(1,117)	4,821	-	4,821
	7,063	2,285,690	(7,063)	2,285,690	656,258	2,941,948
Current assets						
Inventories	1,313	-	(1,313)	-	-	-
Properties under development	-	399,546	-	399,546	-	399,546
Trade and other receivables	1,585	11,741	(1,585)	11,741	-	11,741
Cash and cash equivalents	2,357	55,687	(2,210)	55,834	-	55,834
	5,255	466,974	(5,108)	467,121	-	467,121
Total assets	12,318	2,752,664	(12,171)	2,752,811	656,258	3,409,069

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (cont'd)

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014 (cont'd)

	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	Pro forma adjustments (see notes below) (b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
31 December 2013						
Equity						
Share capital	27,803	1,072,456	(27,803)	1,072,456	502,043	1,574,499
Reserves	(22,808)	183,921	22,808	183,921	158,729	342,650
Equity attributable to owners of the Company	4,995	1,256,377	(4,995)	1,256,377	660,772	1,917,149
Non-controlling interests	212	253,043	(212)	253,043	(4,514)	248,529
Total equity	5,207	1,509,420	(5,207)	1,509,420	656,258	2,165,678
Non-current liabilities						
Bank borrowings	–	969,335	–	969,335	–	969,335
Junior bonds	–	143,826	–	143,826	–	143,826
Redeemable preference shares	–	47,613	–	47,613	–	47,613
Other payables	2,041	9,183	(2,041)	9,183	–	9,183
Deferred tax liabilities	11	146	–	157	–	157
	2,052	1,170,103	(2,041)	1,170,114	–	1,170,114
Current liabilities						
Trade and other payables	4,923	70,521	(4,923)	70,521	–	70,521
Current tax liabilities	136	2,620	–	2,756	–	2,756
	5,059	73,141	(4,923)	73,277	–	73,277
Total liabilities	7,111	1,243,244	(6,964)	1,243,391	–	1,243,391
Total equity and liabilities	12,318	2,752,664	(12,171)	2,752,811	656,258	3,409,069

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (cont'd)

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014 (cont'd)

	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	Pro forma adjustments (see notes below) (b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
31 March 2014						
Non-current assets						
Plant and equipment	2,901	195	(2,901)	195	-	195
Investment properties	-	1,249,000	-	1,249,000	-	1,249,000
Associates and joint ventures	-	915,157	-	915,157	648,070	1,563,227
Intangible assets	-	109,247	-	109,247	7,930	117,177
Other financial assets	1,387	3,717	(1,387)	3,717	-	3,717
	4,288	2,277,316	(4,288)	2,277,316	656,000	2,933,316
Current assets						
Inventories	1,117	-	(1,117)	-	-	-
Properties under development	-	399,546	-	399,546	-	399,546
Trade and other receivables	1,332	20,375	(1,332)	20,375	-	20,375
Cash and cash equivalents	2,013	56,530	(1,836)	56,707	-	56,707
	4,462	476,451	(4,285)	476,628	-	476,628
Total assets	8,750	2,753,767	(8,573)	2,753,944	656,000	3,409,944

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (cont'd)

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014 (cont'd)

	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	Pro forma adjustments (see notes below) (b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
31 March 2014						
Equity						
Share capital	27,803	1,092,990	(27,803)	1,092,990	504,627	1,597,617
Reserves	(26,326)	161,729	26,326	161,729	156,195	317,924
Equity attributable to owners of the Company	1,477	1,254,719	(1,477)	1,254,719	660,822	1,915,541
Non-controlling interests	231	260,602	(231)	260,602	(4,822)	255,780
Total equity	1,708	1,515,321	(1,708)	1,515,321	656,000	2,171,321
Non-current liabilities						
Bank borrowings	-	975,057	-	975,057	-	975,057
Junior bonds	-	143,826	-	143,826	-	143,826
Redeemable preference shares	-	47,613	-	47,613	-	47,613
Other payables	2,034	26,719	(2,034)	26,719	-	26,719
Deferred tax liabilities	11	124	-	135	-	135
	2,045	1,193,339	(2,034)	1,193,350	-	1,193,350

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (cont'd)

(i) Unaudited pro forma consolidated statements of financial position as at 31 December 2013 and 31 March 2014 (cont'd)

31 March 2014	Unaudited statement of financial position of the St. James Group S\$'000	Pro forma adjustments (see notes below) (a) S\$'000	Pro forma adjustments (see notes below) (b) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario A S\$'000	Pro forma adjustments (see notes below) (c) S\$'000	Unaudited pro forma consolidated statement of financial position for Scenario B S\$'000
Current liabilities						
Trade and other payables	4,831	38,624	(4,831)	38,624	-	38,624
Current tax liabilities	166	6,483	-	6,649	-	6,649
	4,997	45,107	(4,831)	45,273	-	45,273
Total liabilities	7,042	1,238,446	(6,865)	1,238,623	-	1,238,623
Total equity and liabilities	8,750	2,753,767	(8,573)	2,753,944	656,000	3,409,944

Notes to the pro forma adjustments:-

- (a) Adjustments to account for the Proposed Initial Acquisition and Proposed Share Consolidation, accrual of professional fees and other expenses relating to the Proposed Acquisition and new bank borrowings;
- (b) Adjustments to account for the Proposed Disposal of the Existing Business and Proposed Distribution; and
- (c) Adjustments to reflect (i) acquisition of Beijing Target Assets; and (ii) Deferred PREPL Acquisition were completed.

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (cont'd)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014

The following adjustments have been made in arriving at the Unaudited Pro Forma Statements of Comprehensive Income for the 12 months ended 31 December 2013 and three months ended 31 March 2014:

	Unaudited statement of comprehensive income of the St. James Group	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario A	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario B
	(a)	(b)	(c)	(c)	(c)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
For the 12 months ended 31 December 2013					
Revenue	21,858	(21,858)	88,307	(3,398)	84,909
Cost of sales	(7,327)	7,327	(26,430)	–	(26,430)
Gross profit	14,531	(14,531)	61,877	(3,398)	58,479
Other income	2,574	(2,574)	57,708	–	57,708
Administrative expenses	(21,498)	21,498	(20,658)	–	(20,658)
Results from operating activities	(4,393)	4,393	98,927	(3,398)	95,529
Finance income	–	–	55	–	55
Finance costs	(117)	117	(27,881)	–	(27,881)
Net finance costs	(117)	117	(27,826)	–	(27,826)
Share of profits of associates and joint ventures, net of tax	(201)	201	46,727	1,933	48,660
Profit/(Loss) before tax	(4,711)	4,711	117,828	(1,465)	116,363
Tax expense	477	(477)	(6,341)	849	(5,492)
Profit/(Loss) for the period	(4,234)	4,234	111,487	(616)	110,871

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (cont'd)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014 (cont'd)

	Unaudited pro forma consolidated statement of comprehensive income of the Group	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario A	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario B
	S\$'000	(a)	S\$'000	(b)	S\$'000
For the 12 months ended 31 December 2013					
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss	-	231	231	-	231
Foreign currency translation differences for foreign operations	-	(969)	(969)	-	(969)
Change in fair value of available-for-sale financial assets, net of tax	-	(738)	(738)	-	(738)
Total comprehensive income for the period	(4,234)	110,749	110,749	4,234	110,133
Profit/(Loss) attributable to:					
Owners of the Company	(4,371)	85,899	85,899	4,371	85,283
Non-controlling interests	137	25,588	25,588	(137)	25,588
Profit/(Loss) for the period	(4,234)	111,487	111,487	4,234	110,871
Total comprehensive income attributable to:					
Owners of the Company	(4,371)	85,271	85,271	4,371	84,655
Non-controlling interests	137	25,478	25,478	(137)	25,478
Total comprehensive income for the period	(4,234)	110,749	110,749	4,234	110,133

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (cont'd)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014 (cont'd)

	Unaudited statement of comprehensive income of the Group	Pro forma adjustments (see notes below)	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario A	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario B
	S\$'000	(a)	(b)	S\$'000	(c)	S\$'000
Three months ended 31 March 2014						
Revenue	4,358	17,956	(4,358)	17,956	-	17,956
Cost of sales	(1,363)	(7,030)	1,363	(7,030)	-	(7,030)
Gross profit	2,995	10,926	(2,995)	10,926	-	10,926
Other income	963	3,042	(963)	3,042	-	3,042
Administrative expenses	(7,372)	(3,786)	7,372	(3,786)	-	(3,786)
Results from operating activities	(3,414)	10,182	3,414	10,182	-	10,182
Finance income	-	20	-	20	-	20
Finance costs	-	(7,620)	-	(7,620)	-	(7,620)
Net finance costs	-	(7,600)	-	(7,600)	-	(7,600)
Share of profits of associates and joint ventures, net of tax	(55)	8,211	55	8,211	171	8,382
Profit/(Loss) before tax	(3,469)	10,793	3,469	10,793	171	10,964
Tax expense/(credit)	(30)	(792)	30	(792)	-	(792)
Profit/(Loss) for the period	(3,499)	10,001	3,499	10,001	171	10,172

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (cont'd)

(ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014 (cont'd)

	Unaudited statement of comprehensive income of the Group	Pro forma adjustments (see notes below)	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario A	Pro forma adjustments (see notes below)	Unaudited pro forma consolidated statement of comprehensive income for Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Three months ended 31 March 2014						
Other comprehensive income, net of tax items that are or may be reclassified subsequently to profit or loss	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	(90)	-	(90)	-	(90)
Change in fair value of available-for-sale financial assets, net of tax	-	(90)	-	(90)	-	(90)
Other comprehensive income for the period, net of tax	(3,499)	9,911	3,499	9,911	171	10,082
Total comprehensive income for the period	(3,499)	9,911	3,499	9,911	171	10,082
Profit/(Loss) attributable to:						
Owners of the Company	(3,518)	9,613	3,518	9,613	171	9,784
Non-controlling interests	19	388	(19)	388	-	388
Profit/(Loss) for the period	(3,499)	10,001	3,499	10,001	171	10,172
Total comprehensive income attributable to:						
Owners of the Company	(3,518)	9,498	3,518	9,498	171	9,669
Non-controlling interests	19	413	(19)	413	-	413
Total comprehensive income for the period	(3,499)	9,911	3,499	9,911	171	10,082

3. Unaudited Pro Forma Consolidated Financial Information of the Enlarged Group (cont'd)

- (ii) Unaudited pro forma consolidated statements of comprehensive income for the 12 months ended 31 December 2013 and three months ended 31 March 2014 (cont'd)

Notes to the pro forma adjustments:

(a) Adjustments to:

- (i) account for the Proposed Initial Acquisition⁽¹⁾ and Proposed Share Consolidation;
 - (ii) record amortisation of intangible assets of S\$4.87 million for the 12 months ended 31 December 2013 and S\$1.22 million for the three months ended 31 March 2014;
 - (iii) record professional fees and other expenses relating to the Proposed Transactions of \$4.83 million incurred for the 12 months ended 31 December 2013; and
 - (iv) record higher finance costs of S\$5.10 million for the 12 months ended 31 December 2013 and S\$1.28 million for the three months ended 31 March 2014 arising from a change in the financing structure relating to Perennial (Somerset) Pte. Ltd..
- (b) Adjustments to account for the Proposed Disposal of the Existing Business and Proposed Distribution.
- (c) Adjustments to reflect (i) acquisition of Beijing Target Assets; and (ii) Deferred PREPL Acquisition were completed.

⁽¹⁾ Includes net change in fair value of investment properties of S\$56.5 million in other income and the Group's share of net change in fair value of investment properties held by associates and joint ventures of S\$32.3 million in share of results of associates and joint ventures for the 12 months ended 31 December 2013.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the Unaudited Pro Forma Consolidated Financial Information and have been applied consistently by Group entities.

4.1 Consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with Financial Reporting Standards (FRS) 103 Business Combinations as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power over an investee, being exposed or having rights to variable returns from its involvement with the investee and the ability to use its power to affect those returns. In particular, FRS 110 Consolidated Financial Statements requires the Group to consolidate investees that it controls on the basis of de facto circumstances.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. The

consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

4. Significant accounting policies (cont'd)

4.1 Consolidation (cont'd)

(i) Business combinations (cont'd)

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRS.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under common control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented, or if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

4. Significant accounting policies (cont'd)

4.1 Consolidation (cont'd)

(v) Investments in associates (cont'd)

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, it accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.
- Joint venture – when the Group has rights only to the net assets of the arrangements, it accounts for its interest using the equity method, as for associates (see note (v) above).

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(viii) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss, except differences which are recognised in other comprehensive income arising from the translation of for available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

4. Significant accounting policies (cont'd)

4.2 Foreign currency (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is re-attributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

4.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits. For the purpose of the statement of cash flows, pledged deposits are excluded.

4. Significant accounting policies (cont'd)

4.3 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 4.7), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, junior bonds, redeemable preference shares and trade and other payables.

(iii) Share capital

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

4. Significant accounting policies (cont'd)

4.4 Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 4.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted entities, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted entities.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are acquired.

The estimated useful lives of intangible assets are as follows:

- Asset management agreements 6 to 10 years
- Property management agreements 6 years

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

4.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Property that is being constructed for future use as investment property is accounted for at fair value.

4.6 Property under development

Property under development is stated at the lower of cost and net realisable value and is held with the intention of development and is therefore classified as current asset. The cost of property under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure incurred in order to get the asset ready for its intended use. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of property under development until the completion of development.

4. Significant accounting policies (cont'd)

4.7 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provision attributable to application of the effective interest method are reflected as a component of interest income.

Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, and properties under development, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

4. Significant accounting policies (cont'd)

4.7 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Revenue

(i) Fee income from real estate management services

Fee income is recognised in profit or loss as and when services are rendered.

(ii) Rental income

Rental income receivable from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rentals are recognised as income in the accounting period in which they are earned.

4.9 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

4.10 Finance income and finance costs

Finance income comprises interest income on loans and receivables. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4. Significant accounting policies (cont'd)

4.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest will be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities, such changes to tax liabilities will impact tax expense in the period that such a determination is made.

5. Investment properties

	31 December 2013		31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000
Investment properties	1,243,000	1,243,000	1,249,000	1,249,000

The valuations of the investment properties are set out below:

	31 December 2013		31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000
Tripleone Somerset	983,000	983,000	983,000	983,000
Chijmes	260,000	260,000	266,000	266,000
	1,243,000	1,243,000	1,249,000	1,249,000

6. Associates and joint ventures

	31 December 2013		31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	S\$'000	S\$'000	S\$'000	S\$'000
Interests in associates	489,231	1,137,741	475,285	1,123,355
Interest in joint ventures	333,905	333,905	333,925	333,925
Loans to associates	105,947	105,947	105,947	105,947
	929,083	1,577,593	915,157	1,563,227

The loans to associates are unsecured, interest free and repayable on demand. However, management is of the opinion that it is not expected to be repaid in the next twelve months.

Under both Scenario A and Scenario B, the Group's share of changes in fair value of investment properties included in the share of profits of associates and joint ventures amounted to S\$32.3 million and S\$4.2 million for the 12 months ended 31 December 2013 and three months ended 31 March 2014, respectively.

6. Associates and joint ventures (cont'd)

Details of key associates and joint ventures are as follows:

Name	Country of incorporation	Equity Interest held by the Group as at 31 December 2013 and 31 March 2014	
		Scenario A %	Scenario B %
Indirectly held by subsidiaries:			
Capitol Investment Holdings Pte. Ltd and its subsidiaries (associate)	Singapore	50.00	50.00
Capitol Retail Management Pte. Ltd. (associate)	Singapore	50.00	50.00
Capitol Hotel Management Pte. Ltd. (associate)	Singapore	50.00	50.00
Perennial Tongzhou Development Pte. Ltd. and its subsidiaries (associate)	Singapore	–	39.47
Perennial Tongzhou Holdings Pte. Ltd. and its subsidiaries (associate)	Singapore	–	49.60
Perennial China Retail Trust (associate)	Singapore	28.03	28.03
Chengdu Huifeng Commercial Real Estate Co., Ltd. (joint venture)	PRC	50.00	50.00
Chengdu Summit Real Estate Development Co., Ltd. (joint venture)	PRC	50.00	50.00
TYN Investment Group Pte. Ltd. and its subsidiary (joint venture)	Singapore	50.00	50.00
Nation Mind Development Limited (associate)	Hong Kong	20.00	20.00

7. Share capital

	31 December 2013		31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
	Number of shares		Number of shares	
Fully paid ordinary shares, with no par value:				
At 1 January 2013/ 1 January 2014	382,871,170	382,871,170	382,871,170	382,871,170
Issue of Consideration Shares ^(a) prior to Proposed Share Consolidation	39,934,342,078	58,366,020,243	39,934,342,078	58,366,020,243
Effects of Proposed Share Consolidation	(39,510,868,988)	(57,573,913,590)	(39,510,868,988)	(57,573,913,590)
	806,344,260	1,174,977,823	806,344,260	1,174,977,823
Issue of shares to financial advisor	954,837	954,837	954,837	954,837
At 31 December 2013/ 31 March 2014	807,299,097	1,175,932,660	807,299,097	1,175,932,660

(a) Issuance of Consideration Shares is based on the purchase consideration for the relevant Target Assets subject to adjustments for NAV of the Target Entities.

8. Revenue

	12 months ended 31 December 2013		3 months ended 31 March 2014	
	Scenario A S\$'000	Scenario B S\$'000	Scenario A S\$'000	Scenario B S\$'000
Rental income	54,567	54,567	13,212	13,212
Fee income from real estate management services	33,740	30,342	4,744	4,744
	<u>88,307</u>	<u>84,909</u>	<u>17,956</u>	<u>17,956</u>

9. Other income

The following item has been included in other income:

	12 months ended 31 December 2013		3 months ended 31 March 2014	
	Scenario A S\$'000	Scenario B S\$'000	Scenario A S\$'000	Scenario B S\$'000
Change in fair value of investment properties	<u>56,536</u>	<u>56,536</u>	<u>2,334</u>	<u>2,334</u>

10. Earnings per share

The calculation of earnings per share at the end of the period was based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the financial period.

The number of ordinary shares outstanding is based on the number of shares of the Company as at the end of the period after the Proposed Transactions assuming the Proposed Transactions occurred on 1 January 2013:

	12 months ended 31 December 2013		3 months ended 31 March 2014	
	Scenario A	Scenario B	Scenario A	Scenario B
Profit attributable to owners of the Company (S\$'000)	<u>85,899</u>	<u>85,283</u>	<u>9,613</u>	<u>9,784</u>
Weighted average number of ordinary shares outstanding ^(a) for basic earnings per share	<u>807,299,097</u>	<u>1,175,932,660</u>	<u>807,299,097</u>	<u>1,175,932,660</u>
Basic and diluted earnings per share (cents)	<u>10.64</u>	<u>7.25</u>	<u>1.19</u>	<u>0.83</u>

The diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares, on the assumption that no outstanding share options of the Company has been exercised.

(a) Based on the purchase consideration for the relevant Target Assets subject to adjustments for NAV of the Target Entities.

11. Financial risk management

Overview

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of parties to settle their financial and contractual obligations to the Group as and when they fall due. The Group's credit risk is primarily attributable to trade and other receivables, other financial assets and cash and cash equivalents. The Group only trades with recognised and creditworthy third parties. Receivables and investments are monitored on an ongoing basis. Cash is placed with banks which are regulated.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages its operating cash flows and availability of funding so as to ensure that all funding needs are met.

Market risk

Market risk is the risk that changes in market prices, such as foreign currencies, interest rates and equity prices, may affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risks arises primarily from their loans and borrowings. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings.

Equity price risk

Equity price risk arises from the Group's investment in available-for-sale unquoted equity securities.

Currency risk

The Group's foreign currency risk arises from its cash and cash equivalents and trade and other receivables and payables denominated in currencies other than the respective functional currency of the Group entities. The currencies giving rise to this risk are primarily the Renminbi and US dollar. Exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

Capital management

The Group's policy is to build a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital, which includes all components of equity, including non-controlling interests.

The Group's capital structure is regularly reviewed and managed with due regard to the economic conditions, regulatory requirements and business strategies affecting the Group.

The Group also monitors capital using a net debt to equity ratio, which is derived from taking net debt as a ratio over total equity.

11. Financial risk management (cont'd)

Capital management (cont'd)

The Group seeks to strike a balance between the higher returns that might be possible with higher level of borrowings and the liquidity and security afforded by a sound capital position.

The Group derives a portion of its income from the PRC. The conversion of the Chinese Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

There were no changes in the Group's approach to capital management during the period.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

12. Effects of the Proposed PCRT Voluntary Offer

The effects are not intended to be a forecast and are for illustrative purposes only and prepared on the basis of the assumptions and accounting policies set out in notes 2 and 4 respectively. Because of their nature, the financial effects may not give a true picture of the financial position, financial performance and cash flows of the Enlarged Group.

In addition to the Proposed Transactions, the Company proposes to make a voluntary offer to acquire all the remaining Units of PCRT (other than Units already owned, controlled or agreed to be acquired by the Company) in exchange for new shares of the Company to be issued to PCRT unitholders ("Proposed PCRT Voluntary Offer"). The consideration for each Unit will be S\$0.70, to be satisfied by the issuance of 0.52423 Consideration Shares at an issue price of approximately S\$1.3353 for each Consideration Share.

The financial information of the Proposed PCRT Voluntary Offer for Scenarios A and B are prepared assuming the Enlarged Group holds 100.00 per cent. of the equity interest in PCRT.

The effects as set out below has been prepared for illustrative purposes, to show what:

- (a) the unaudited pro forma financial position of the Enlarged Group as at 31 December 2013 and 31 March 2014 would have been if the Proposed PCRT Voluntary Offer was completed at the same time as the Proposed Transactions (as defined in note 1.1) on 31 December 2013 and 31 March 2014 respectively;
- (b) the unaudited pro forma financial results of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 would have been if the Proposed PCRT Voluntary Offer was completed at the same time as the Proposed Transactions (as defined in note 1.1) on 1 January 2013; and
- (c) the unaudited pro forma cash flows of the Enlarged Group for the 12 months ended 31 December 2013 and the three months ended 31 March 2014 would have been if the Proposed PCRT Voluntary Offer was completed at the same time as the Proposed Transactions (as defined in note 1.1) on 1 January 2013.

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statements of Financial Position**

As at 31 December 2013

	Scenario A S\$'000	Scenario B S\$'000
Non-current assets		
Plant and equipment	706	706
Investment properties	1,943,178	1,943,178
Associates and joint ventures	1,431,636	1,720,051
Intangible assets	108,616	116,364
Other financial assets	55,141	4,821
Other receivables	1,727	1,727
	<hr/> 3,541,004	<hr/> 3,786,847
Current assets		
Properties under development	399,546	1,588,685
Trade and other receivables	39,361	39,476
Cash and cash equivalents	97,500	110,441
	<hr/> 536,407	<hr/> 1,738,602
Total assets	<hr/> 4,077,411	<hr/> 5,525,449
Equity		
Share capital	1,649,608	2,151,650
Reserves	238,477	466,603
Equity attributable to owners of the Company	<hr/> 1,888,085	<hr/> 2,618,253
Non-controlling interests	292,948	1,005,685
Total equity	<hr/> 2,181,033	<hr/> 3,623,938
Non-current liabilities		
Bank borrowings	1,381,031	1,381,031
Junior bonds	143,826	143,826
Redeemable preference shares	47,613	47,613
Other payables	9,188	9,188
Deferred tax liabilities	41,814	41,814
	<hr/> 1,623,472	<hr/> 1,623,472
Current liabilities		
Trade and other payables	270,150	275,283
Current tax liabilities	2,756	2,756
	<hr/> 272,906	<hr/> 278,039
Total liabilities	<hr/> 1,896,378	<hr/> 1,901,511
Total equity and liabilities	<hr/> 4,077,411	<hr/> 5,525,449

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statements of Financial Position (cont'd)**

As at 31 March 2014

	Scenario A S\$'000	Scenario B S\$'000
Non-current assets		
Plant and equipment	747	766
Investment properties	1,951,091	1,951,091
Associates and joint ventures	1,407,422	1,694,111
Intangible assets	109,247	117,177
Other financial assets	54,904	3,717
Other receivables	2,260	2,260
	3,525,671	3,769,122
Current assets		
Properties under development	399,546	1,588,685
Trade and other receivables	49,108	185,091
Cash and cash equivalents	68,570	89,298
	517,224	1,863,074
Total assets	4,042,895	5,632,196
Equity		
Share capital	1,670,141	2,174,768
Reserves	187,654	432,103
Equity attributable to owners of the Company	1,857,795	2,606,871
Non-controlling interests	298,266	1,043,813
Total equity	2,156,061	3,650,684
Non-current liabilities		
Bank borrowings	1,390,246	1,390,246
Junior bonds	143,826	143,826
Redeemable preference shares	47,613	47,613
Other payables	26,722	26,722
Deferred tax liabilities	40,648	40,648
	1,649,055	1,649,055
Current liabilities		
Trade and other payables	231,130	325,808
Current tax liabilities	6,649	6,649
	237,779	332,457
Total liabilities	1,886,834	1,981,512
Total equity and liabilities	4,042,895	5,632,196

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statements of Comprehensive Income**

For the 12 months ended 31 December 2013

	Scenario A S\$'000	Scenario B S\$'000
Revenue	85,325	73,317
Cost of sales	(35,316)	(35,316)
Gross profit	50,009	38,001
Other income	167,670	171,215
Administrative expenses	(27,519)	(27,735)
Results from operating activities	190,160	181,481
Finance income	91	91
Finance costs	(37,367)	(37,367)
Net finance costs	(37,276)	(37,276)
Share of profits of associates and joint ventures, net of tax	24,704	28,722
Profit before tax	177,588	172,927
Tax expense	(23,266)	(21,114)
Profit for the period	154,322	151,813
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	73,685	73,685
Change in fair value of available-for-sale financial assets, net of tax	(969)	(969)
Other comprehensive income for the period, net of tax	72,716	72,716
Total comprehensive income for the period	227,038	224,529

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statements of Comprehensive Income (cont'd)**

For the 12 months ended 31 December 2013 (cont'd)

	Scenario A S\$'000	Scenario B S\$'000
Profit attributable to:		
Owners of the Company	125,138	120,833
Non-controlling interests	29,184	30,980
Profit for the period	<u>154,322</u>	<u>151,813</u>
Total comprehensive income attributable to:		
Owners of the Company	195,822	191,518
Non-controlling interests	31,216	33,011
Total comprehensive income for the period	<u>227,038</u>	<u>224,529</u>
Earnings per share		
Basic and diluted earnings per share (cents)	<u>10.11</u>	<u>7.52</u>

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statements of Comprehensive Income (cont'd)**

For the three months ended 31 March 2014

	Scenario A S\$'000	Scenario B S\$'000
Revenue	18,427	18,427
Cost of sales	(8,828)	(8,828)
Gross profit	9,599	9,599
Other income	14,848	14,848
Administrative expenses	(3,632)	(3,959)
Results from operating activities	20,815	20,488
Finance income	37	37
Finance costs	(10,233)	(10,233)
Net finance costs	(10,196)	(10,196)
Share of profits of associates and joint ventures, net of tax	7,837	8,388
Profit before tax	18,456	18,680
Tax expense	(918)	(918)
Profit for the period	17,538	17,762
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences for foreign operations	(40,993)	(50,784)
Change in fair value of available-for-sale financial assets, net of tax	(90)	(90)
Other comprehensive income for the period, net of tax	(41,083)	(50,874)
Total comprehensive income for the period	(23,545)	(33,112)

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statements of Comprehensive Income (cont'd)**

For the three months ended 31 March 2014 (cont'd)

	Scenario A S\$'000	Scenario B S\$'000
Profit attributable to:		
Owners of the Company	17,174	17,218
Non-controlling interests	364	544
	<hr/>	<hr/>
Profit for the period	17,538	17,762
	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to:		
Owners of the Company	(22,691)	(30,080)
Non-controlling interests	(854)	(3,032)
	<hr/>	<hr/>
Total comprehensive income for the period	(23,545)	(33,112)
	<hr/> <hr/>	<hr/> <hr/>
Earnings per share		
Basic and diluted		
earnings per share (cents)	1.39	1.07
	<hr/> <hr/>	<hr/> <hr/>

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statement of Cash Flows**

For the 12 months ended 31 December 2013

	Scenario A S\$'000	Scenario B S\$'000
Cash flows from operating activities		
Profit for the period	154,322	151,813
Adjustments for:		
Depreciation of plant and equipment	359	359
Amortisation of intangible assets	2,589	2,589
Accretion of deferred income	(145)	(145)
Tax expense	23,266	21,114
Change in fair value of investment properties	(122,740)	(122,740)
Net finance costs	37,276	37,276
Share of profit of associates and joint ventures, net of tax	(24,704)	(28,722)
Unrealised exchange loss/(gain)	3,324	(224)
	73,547	61,320
Changes in:		
- Trade and other receivables	(38,808)	(27,633)
- Trade and other payables	918	850
Cash generated from operations	35,657	34,537
Interest received	86	86
Tax paid	(2,001)	(2,001)
Net cash from operating activities	33,742	32,622
Cash flows from investing activities		
Acquisition of plant and equipment	(564)	(564)
Acquisition of subsidiaries	14,580	14,580
Additions to investment properties	(156,791)	(156,791)
Net cash from/(used in) investing activities	(142,775)	(142,775)

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statement of Cash Flows (cont'd)**

For the 12 months ended 31 December 2013 (cont'd)

	Scenario A S\$'000	Scenario B S\$'000
Cash flows from financing activities		
Capital contribution and loans from non-controlling interests	3,658	8,758
Dividends paid ⁽²⁾	(31,236)	(31,236)
Payment of transaction costs related to bank borrowings	(579)	(579)
Proceeds from bank borrowings	142,285	142,285
Distribution <i>in specie</i> of the Existing Business	(2,210)	(2,210)
Interest paid	(28,835)	(28,835)
Withdrawal of cash in escrow accounts	25,028	25,028
	<hr/>	<hr/>
Net cash (used in)/from financing activities	108,111	113,211
Net increase/(decrease) in cash and cash equivalents		
	(922)	3,058
Cash and cash equivalents at beginning of period	98,108	103,522
Effect of exchange rate changes on balances in foreign currencies	85	3,632
	<hr/>	<hr/>
Cash and cash equivalents at end of period	97,271	110,212
	<hr/> <hr/>	<hr/> <hr/>

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statement of Cash Flows (cont'd)**

For the three months ended 31 March 2014

	Scenario A S\$'000	Scenario B S\$'000
Cash flows from operating activities		
Profit for the period	17,538	17,762
Adjustments for:		
Depreciation of plant and equipment	78	84
Amortisation of intangible assets	647	647
Tax expense	918	918
Change in fair value of investment properties	(2,334)	(2,334)
Net finance costs	10,196	10,196
Share of profit of associates and joint ventures, net of tax	(7,837)	(8,388)
Unrealised exchange gain	(1,620)	(1,554)
	<hr/>	<hr/>
Changes in:	17,586	17,331
– Properties under development	–	(175,292)
– Trade and other receivables	(2,805)	(2,805)
– Trade and other payables	(6,851)	(6,574)
	<hr/>	<hr/>
Cash generated from/(used in) operations	7,930	(167,340)
Interest received	30	30
	<hr/>	<hr/>
Net cash from/(used in) operating activities	7,960	(167,310)
	<hr/>	<hr/>
Cash flows from investing activities		
Acquisition of plant and equipment	(139)	(164)
Additions to available-for-sale investments	(867)	(867)
Additions to investment properties	(14,301)	(14,301)
	<hr/>	<hr/>
Net cash from/(used in) investing activities	(15,307)	(15,332)
	<hr/>	<hr/>

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statement of Cash Flows (cont'd)**

For the three months ended 31 March 2014 (cont'd)

	Scenario A S\$'000	Scenario B S\$'000
Cash flows from financing activities		
Capital contribution and loans from non-controlling interests	–	168,491
Dividends paid ⁽²⁾	(15,577)	(15,577)
Proceeds from bank borrowings	8,540	8,540
Amounts due to related parties (non-trade)	–	15,000
Interest paid	(18,908)	(18,908)
Net cash (used in)/from financing activities	(25,945)	157,546
Net decrease in cash and cash equivalents	(33,292)	(25,096)
Cash and cash equivalents at beginning of period	97,271	110,212
Effect of exchange rate changes on balances in foreign currencies	(307)	(716)
Cash and cash equivalents at end of period	63,672	84,400

12. Effects of the Proposed PCRT Voluntary Offer (cont'd)

**Effects of the Proposed PCRT Voluntary Offer on the
Unaudited Pro Forma Consolidated Statement of Cash Flows (cont'd)**

Significant non-cash transactions

During the 12 months ended 31 December 2013, the Company issued:

(A) Scenario A:

- (a) 1,228,456,576⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Initial Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

(B) Scenario B:

- (a) 1,597,090,139⁽¹⁾ ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share for the Proposed Initial Acquisition; and
- (b) 954,837 ordinary shares (post Proposed Share Consolidation) at an issue price of approximately S\$1.3353 per share as consideration for the payment of professional fees.

Notes:

- (1) Issuance of shares is based on the purchase consideration for the relevant Target Assets, and subject to adjustments for NAV of the Target Entities and the Proposed PCRT Voluntary Offer.
- (2) Assumes dividends are paid on the remaining Units of PCRT (other than those Units already owned, controlled or agreed to be acquired by the Company as part of the Proposed Transactions).

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PERENNIAL 利瑞鵬