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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 Hotel Properties Limited, Oversea-Chinese Banking Corporation Limited or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any differences between the information memorandum distributed to you in electronic format and the hard copy version.

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

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 Hotel Properties Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession 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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HOTEL PROPERTIES LIMITED

(Incorporated with limited liability in the Republic of Singapore on 28 January 1980)
(UEN/Company Registration No.198000348Z)

S\$1,000,000,000 **Multicurrency Debt Issuance Programme** **(the “Programme”)**

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 Hotel Properties Limited (the “Issuer”) 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.

Application has been made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in 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 Issuer, its subsidiaries and associated companies (if any), the Programme or such Securities.

The Securities have not been and will not be registered under the U.S. Securities Act of 1993, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Securities may include bearer Securities that are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold, or, in the case of bearer Securities, delivered within the United States.

An investment in Securities issued under the Programme involves certain risks. For a discussion of some of these risks see the section “Risk Factors”.

Arranger



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NOTICE

Oversea-Chinese Banking Corporation Limited (the “**Arranger**”) has been appointed by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue the Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Securities. The Issuer, having made all reasonable enquiries, 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, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing as at the date of this Information Memorandum, and that there are no other facts the omission of which in the context of the Programme or the issue and offer of the Securities would or might 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 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 The Central Depository (Pte) Limited (“**CDP**”) or a common depository (the “**Common Depository**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes will 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 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 the applicable 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 the Common Depository, Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable 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 \$1,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to 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 the Issuer, the 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 the Issuer or any of its subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, or constitutes an offer of, or solicitation or invitation by or on behalf of the Issuer, the 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 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 such other document or information or into whose possession this Information Memorandum 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 and include Securities in bearer form that are subject to U.S. tax law requirements. 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 the Issuer, the 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 Dealers 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 Dealers 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) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not independently verified the information contained in this Information Memorandum. None of the Arranger, 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 the Issuer or its subsidiaries or associated companies (if any). Further, none of the Arranger or any of the Dealers makes any representation or warranty as to the Issuer or any of its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the 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 or as to the merits of the Securities or the subscription for, purchase or acquisition thereof. 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 Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Issuer, the Arranger, 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 Arranger 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 the Arranger or any of the Dealers or on its behalf in connection with the Issuer and its subsidiaries (the “**Group**”) or the issue and offering of the Securities. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Information Memorandum or any such statement.

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

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 unaudited financial statements of the Issuer and its subsidiaries and associated companies (if any), and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. 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 Issuing and 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 Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the 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 Issuer pursuant to the Programme Agreement.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section "Subscription and Sale" on pages 132 to 134 of this Information Memorandum.

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

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities. Such persons are also advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

FORWARD-LOOKING STATEMENTS

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

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

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer 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 Issuer 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 Issuer or the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger 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:

- “Agency Agreement”** : The Agency Agreement dated 3 March 2017 between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent, CDP transfer agent and CDP registrar, (3) The Bank of New York Mellon, London Branch, as non-CDP Paying Agent and calculation agent, (4) The Bank of New York Mellon (Luxembourg) S.A., as non-CDP transfer agent and non-CDP registrar, and (5) the Trustee, as trustee, as amended, restated and supplemented from time to time.
- “Arranger”** : Oversea-Chinese Banking Corporation Limited.
- “Bearer Securities”** : Securities in bearer form.
- “Business Day”** : In respect of each Security, (i) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent’s specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Securities denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
- “Calculation Agent”** : The Bank of New York Mellon, London Branch, or its successors in that capacity.
- “CDP”** : The Central Depository (Pte) Limited.
- “CDP Registrar”** : The Bank of New York Mellon, Singapore Branch, or its successors in that capacity.
- “CDP Transfer Agent”** : The Bank of New York Mellon, Singapore Branch, or its successors in that capacity.
- “Certificate”** : A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the terms and conditions of the Notes or the terms and conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
- “Common Depository”** : In relation to a Series of the Securities, a depository common to Euroclear and Clearstream, Luxembourg.
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended, re-enacted or modified from time to time.

- “Conditions”** : 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 of 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 particular numbered Condition shall be construed accordingly.
- 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, 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.
- “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.
- “Definitive Security”** : A definitive Bearer Security having, where appropriate, Coupons and/or a Talon attached on issue.
- “Directors”** : The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
- “Euro”** : The lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
- “FY”** : Financial year ended 31 December.
- “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) 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 Issuer and its subsidiaries.
“IRAS”	:	Inland Revenue Authority of Singapore.
“Issuer”	:	Hotel Properties Limited.
“Issuing and Paying Agent”	:	The Bank of New York Mellon, Singapore Branch, or its successors in that capacity.
“ITA”	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
“MAS”	:	The Monetary Authority of Singapore.
“Non-CDP Paying Agent”	:	The Bank of New York Mellon, London Branch, or its successors in that capacity.
“Non-CDP Registrar”	:	The Bank of New York Mellon (Luxembourg) S.A., or its successors in that capacity.
“Non-CDP Transfer Agent”	:	The Bank of New York Mellon (Luxembourg) S.A., or its successors in that capacity.
“Noteholders”	:	The holders of the Notes.
“Notes”	:	The multicurrency medium term notes of the Issuer to be issued by the Issuer under the Programme pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, Global Certificates, Definitive Securities and Certificates).
“Paying Agents”	:	The Issuing and Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Securities and Coupons.
“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 to be issued by the Issuer under the Programme (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates).
“Perpetual Securityholders”	:	The holders of the Perpetual Securities.
“Pricing Supplement”	:	In relation to a Tranche or Series of Securities, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or Series of Securities, as the case may be.

“Principal Subsidiary”

: Any Relevant Subsidiary of the Issuer:

- (1) whose profits before tax, as shown by the accounts of such Relevant Subsidiary (consolidated in the case of a company which itself has subsidiaries, joint ventures and/or associated companies), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the profits before tax of the Group as shown by such audited consolidated accounts; or
- (2) whose total assets, as shown by the accounts of such Relevant Subsidiary (consolidated in the case of a company which itself has subsidiaries, joint ventures and/or associated companies), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

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

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

Any Relevant 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 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 profits before tax or (as the case may be) total assets as shown by the accounts of such Relevant Subsidiary (consolidated in the case of a company which itself has subsidiaries, joint ventures and/or associated companies), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the consolidated profits before tax or (as the case may be) total assets of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a Relevant Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

“Programme”

: The S\$1,000,000,000 Multicurrency Debt Issuance Programme of the Issuer established by the Issuer pursuant to the Programme Agreement.

“Programme Agreement”	:	The Programme Agreement dated 3 March 2017 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) Oversea-Chinese Banking Corporation Limited, as dealer, as amended, varied or supplemented from time to time.
“Registered Securities”	:	Securities in registered form.
“Relevant Subsidiary”	:	A subsidiary of the Issuer other than any subsidiary which is a joint venture between (1) any member of the Group and (2) another entity which is not a member of the Group and such subsidiary is treated as a jointly-controlled entity as shown in the latest audited consolidated accounts of the Group.
“Securities”	:	The Notes and the Perpetual Securities.
“Securities Act”	:	Securities Act of 1933 of the United States, as amended.
“Securityholders”	:	The Noteholders and the Perpetual Securityholders.
“Senior Perpetual Securities”	:	Perpetual Securities which are specified to rank as senior obligations of the Issuer pursuant to Condition 3(a) of the Perpetual Securities.
“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”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Subordinated Perpetual Securities”	:	Perpetual Securities which are expressed in the applicable Pricing Supplement to rank as subordinated obligations of the Issuer.
“subsidiary”	:	Any company which is for the time being, a subsidiary (within the meaning of Section 5 of the Companies Act).
“Talons”	:	Talons for further Coupons.
“TARGET System”	:	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.
“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 3 March 2017 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time.

“Trustee”	:	The Bank of New York Mellon, Singapore Branch, or its successors in that capacity.
“UNESCO”	:	United Nations Educational, Scientific and Cultural Organisation.
“United States” or “U.S.”	:	United States of America.
“S\$” and “cents”	:	Singapore dollars and cents respectively.
“%”	:	Per cent.

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

SUMMARY OF THE PROGRAMME

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

Issuer	:	Hotel Properties Limited.
Arranger	:	Oversea-Chinese Banking Corporation Limited.
Dealers	:	Oversea-Chinese Banking Corporation Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	The Bank of New York Mellon, Singapore Branch.
Issuing and Paying Agent, CDP Transfer Agent and CDP Registrar	:	The Bank of New York Mellon, Singapore Branch.
Non-CDP Paying Agent and Calculation Agent	:	The Bank of New York Mellon, London Branch.
Non-CDP Transfer Agent and Non-CDP Registrar	:	The Bank of New York Mellon (Luxembourg) S.A.
Description	:	Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding at any time shall be S\$1,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement.

NOTES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, the Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	The 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	:	The 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, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer.
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 : The Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the 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 : 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 Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
- Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
- Variable Rate Notes : Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
- Hybrid Notes : Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S\$ SIBOR or S\$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (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 Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
- Zero Coupon Notes : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
- 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 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, a common depository for Euroclear and Clearstream, Luxembourg 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, a Common Depository and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the terms and conditions of the Notes, 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. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depository on behalf of Euroclear and Clearstream, Luxembourg.
- Status of the Notes : The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
- Redemption and Purchase : If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
- Redemption upon a Change of Control Event : If so provided in the applicable Pricing Supplement, if for any reason, a Change of Control Event (as specified in that applicable Pricing Supplement) occurs, the Issuer will, within seven days of such occurrence, give notice to the Noteholders of the occurrence of such event (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option) and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 45 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day).
- Redemption upon cessation or suspension of trading of shares : If so provided in the applicable Pricing Supplement, in the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than seven days (excluding a gazetted public holiday), the 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 any date on which the interest is due to be paid on such notes or, if earlier, the date falling 45 days after the Effective Date.

For the purposes of this paragraph, “**Effective Date**” means (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days.

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 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(i) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Negative Pledge : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding (as defined in the Trust Deed), it will not, and will ensure that none of its Principal Subsidiaries will, create or have outstanding any security on or over their respective present or future assets, save for:

- (i) liens or rights of set off arising solely by operation of law (or by an agreement evidencing the same) or in the ordinary course of its business, in either case, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means;
- (ii) any security existing as at the date of the Trust Deed and disclosed in writing to the Trustee on or prior to the date of the Trust Deed;
- (iii) any security over the assets of a Principal Subsidiary subsisting as at the date on which it became a Principal Subsidiary;
- (iv) any security over any of its assets acquired or developed by it ((in the case of a development of such asset) whether such assets are acquired before or after the date of the Trust Deed) after the date of the Trust Deed for the sole purpose of financing or refinancing the acquisition or development of such assets (whether such financing

or refinancing (which shall include any financing or refinancing by way of intercompany loans) is raised or the development is undertaken, by itself, any related corporation, joint venture partner or any joint venture company in which it has an interest) and securing a principal amount not exceeding the cost of that acquisition or development;

- (v) any security created prior to and subsisting at the time of the acquisition or development of any asset by it after the date of the Trust Deed;
- (vi) any security required to be given pursuant to the terms of any credit facility to secure any existing security referred to in paragraphs (ii), (iii), (iv) and (v) above and any asset acquired by it after the date of the Trust Deed in order to comply with any security margin set out in such credit facility;
- (vii) security arising out of title retention provisions in a supplier's or financier's normal conditions of supply, hire purchase or leasing arrangement in respect of goods acquired by the Issuer or relevant Principal Subsidiary in the ordinary course of its business;
- (viii) any security to be created over any asset referred to in paragraphs (ii), (iii), (iv) and (v) above in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by such asset provided that the amount secured by such security shall not exceed 65 per cent. of the then current market value of such security (as determined on the basis of a valuation report prepared by an independent valuer);
- (ix) any security created over the Excluded Properties (as defined in Condition 4 of the Notes) provided that the amount secured by such security shall not exceed 65 per cent. of the then market value of such security (as determined on the basis of a valuation report prepared by an independent valuer); and
- (x) any other security as shall be approved by the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

Financial Covenants

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

- (i) the Consolidated Tangible Net Worth (as defined in Condition 4 of the Notes) will not at any time be less than S\$750,000,000; and
- (ii) the ratio of Consolidated Total Debt (as defined in Condition 4 of the Notes) to Consolidated Tangible Net Worth shall not at any time be more than 1.5:1.

- Non-disposal : The Issuer 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 Principal Subsidiaries will, (whether by a single transaction or a number of related transactions) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) any substantial part of its assets or undertake any other disposal of assets which could have a material adverse effect on the Group, taken as a whole. The following disposals shall not be taken into account under Condition 4(c) of the Notes:
- (i) disposals at arm's length on reasonable commercial terms or disposals in the ordinary course of business, trade or operations provided that each such disposal is not likely to materially and adversely affect the Issuer's ability to perform its obligations under the Trust Deed or the Securities;
 - (ii) disposal on reasonable commercial terms of obsolete assets or assets no longer required for the purpose of the relevant person's business;
 - (iii) the payment of cash (being the asset) as consideration for the acquisition of any asset on normal commercial terms;
 - (iv) disposals pursuant to any solvent reorganisation or solvent restructuring exercise provided that the assets either remain within the Group or are disposed to any entity which is controlled by any member of the Group; and
 - (v) any disposal which the Noteholders by way of an Extraordinary Resolution shall have agreed shall not be taken into account;
- and, for the purpose of Condition 4(c) of the Notes, the words "substantial part of its assets" shall mean that the value of each of such assets constitutes more than 20 per cent. of the total assets of the Group, determined on the basis of the latest available audited consolidated accounts of the Group.
- Events of Default : See Condition 10 of the Notes.
- Taxation : All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the 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 "Taxation – Singapore Taxation" herein.
- Listing : Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.

- Board lot size : The Notes will be traded in a minimum board lot size of not less than S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.
- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, please see the section on “Subscription and Sale” 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 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 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 Issuer and the relevant Dealer(s)), as adjusted for any applicable margin.

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

Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

Distribution Discretion

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the Perpetual Securities) by giving notice (an “**Optional Payment Notice**”) to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 20 nor less than 10 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 a Dividend Pusher is set out thereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (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 Issuer’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer’s Parity Obligations; or
- (ii) any of the Issuer’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 Issuer’s Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

and/or as otherwise specified in the applicable Pricing Supplement.

For the purposes of this paragraph, (i) “**Junior Obligation**” means, in relation to the Issuer, 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 Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities and (ii) “**Parity Obligation**” means, in relation to the Issuer, any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

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 Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (“**Optional Distribution**”) (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities. Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

If Cumulative Deferral is 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 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 applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is so provided on the face of the Perpetual Security 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 Issuer 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 Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a pro rata basis) any of the Issuer'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 Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

in each case unless and until (1) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (2) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (3) the Issuer 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 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, a Common Depositary 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, a Common Depositary 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. 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 : The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
- Status of the Subordinated Perpetual Securities : The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer.
- Subordination of the Subordinated Perpetual Securities : Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.
- No set-off in relation to Subordinated Perpetual Securities : Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

- Redemption at the Option of the Issuer : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to 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 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 the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.
- Redemption for Accounting Reasons : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified 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 the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified 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 Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced on or after the Issue Date; or
- (iv) the Issuer receiving a ruling by the Comptroller of Income Tax in respect of the Perpetual Securities on or after the Issue Date,

payments of distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are not regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA or are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, so regarded.

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 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 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.

- Redemption upon a Change of Control Event : If so provided in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), 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), following the occurrence of a Change of Control Event (as specified in the applicable Pricing Supplement).
- Limited right to institute proceedings in relation to Perpetual Securities : Notwithstanding any of the provisions in Condition 9 of the Perpetual Securities, the right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
- Enforcement Events : If (i) an order is made or an effective resolution is passed for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer or (ii) the Issuer fails to pay the principal of or any distributions on any of the Perpetual Securities when due and such failure continues for a period of 10 business days in the case of distributions or two business days in the case of principal (together, the "**Enforcement Events**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.
- Taxation : All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer 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 "Taxation – Singapore Taxation" herein.
- Listing : Each Series of the Perpetual Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.
- Board lot size : The Perpetual Securities will be traded in a minimum board lot size of not less than \$200,000 (or its equivalent in other currencies) for so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require.

- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, please see the section on “Subscription and Sale” herein. Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.
- Governing Law and Jurisdiction : The Perpetual Securities, the Coupons and the Talons are governed by, and construed in accordance with, the laws of Singapore.

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 Issuer and/or the Group or the properties owned by the Group or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Issuer is currently unaware of may also impair its business, assets, financial condition, performance or prospects. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its respective obligations under the Trust Deed and the Securities may be adversely affected and the investors may lose all or part of their investments in the Securities.

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 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 a recommendation by the Issuer, the Arranger 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 Issuer, its subsidiaries and/or associated companies (if any), the Arranger 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 therein or 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 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 Issuer and/or the Group, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risk involved. A prospective investor should consult with its legal, tax, financial and other professional advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section entitled "Forward-looking Statements" on page 6 of this Information Memorandum.

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

The financial performance of the Group is affected by an increase in worldwide terrorism and political instability

The Group comprises companies that are involved in and have interests in the hotel businesses across the world, especially in Asia. It will be affected if there is widespread reduction in business or leisure travel, and a resultant drop in hotel occupancy rates, due to geo-political events such as the risks of political unrest, war, acts of terrorism and other instability.

There has been an increasing number of acts of violence, bombings and similar politically and/or ideologically motivated attacks in recent years. Terrorist activities, acts of violence or war and adverse political developments could materially and adversely affect international financial markets and the Singapore economy and could adversely affect the operations, revenues and profitability of the Group.

The consequences of any of these developments or events are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its businesses, financial condition, results of operations and prospects.

The prospects of the Group may be adversely affected by natural disasters and the outbreak of infectious disease or other serious public health concerns

Natural disasters and the outbreak of infectious diseases that are beyond the Issuer's control may adversely affect the economy, infrastructure and livelihood of the people in those countries or regions. Some countries or regions where the Issuer operates face threats of floods, earthquakes, sandstorms, snowstorms, fires, droughts and haze, and the outbreak of infectious disease such as SARS, H5N1 avian flu, Influenza A (H1N1), MERS, Ebola or Zika.

Flooding and any other severe weather and natural disasters may cause substantial structural and physical damage to the Group's properties in particular the Group operates in areas such as Vanuatu and the Maldives which have, in the past, experienced extreme conditions such as cyclones and tsunamis. These natural disasters can result in substantial expenses related to, among others, repairing the damage caused, and such damage may not be fully covered by insurance, if any.

In addition, past occurrences of outbreak of infectious diseases, depending on their scale, have caused varying degrees of damage to the economy of Singapore, where the Issuer is headquartered.

The occurrence of extreme weather or natural disasters, or an outbreak of other infectious diseases or serious public health concerns, or the measures taken by the governments of affected countries, including Singapore, against such occurrences, such as restrictions on travel and/or the imposition of quarantines, could severely disrupt the Issuer's and the Group's business operations and undermine investor confidence, thereby materially and adversely affecting its financial condition or results of operations.

The Group's hospitality business operations are affected by local laws and requirements, such as hotel licenses requirements

The operation of hotels in the countries which the Group operates in, which includes Singapore, Malaysia, Thailand, Maldives, Indonesia, Bhutan, Seychelles, South Africa, Tanzania, Vietnam, Vanuatu and the United States of America, is subject to various local laws, licensing requirements and regulations. These include, without limitation, health and liquor licensing laws and laws and regulations governing relationships with employees in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

For example, in Singapore, the operation of hotels is generally subject to local laws and regulations such as the Hotels Act, Chapter 127 of Singapore, under which hotels must be registered and hotel managers must be licensed to manage the hotel.

The withdrawal, suspension or non-renewal of any certificates of registration and/or licenses, or the imposition of any penalties as a result of any infringement of or non-compliance with any laws, rules or regulations applicable to the Group's properties, will have an adverse impact on the businesses at its hotels and their results of operations. Further, any changes in such laws, rules and regulations may result in higher costs of compliance, and any failure to comply with new or revised laws, rules and regulations could result in the imposition of fines or other penalties by the relevant authorities. Such compliance costs and penalties could have an adverse impact on the revenue and profits of the hotels or otherwise adversely affect their operations.

The Group's business is affected by the regulatory and political conditions of the countries the Group has assets or operates in

Given that the Group may have plans to expand its business into other countries in the future, the regulatory and political conditions of these countries may also affect the business of the Group.

The real estate industry in the countries where the Group operates is subject to government regulations and approvals over, among other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing.

For example, the Singapore government had previously sought to regulate or reduce property speculation through measures such as the adoption and enforcement of regulations and the imposition of credit controls, taxes and fees, which could affect property sales and property values. In recent years, the Singapore government has implemented a series of measures to cool the Singapore property market and maintain a stable and sustainable property market where prices move in line with economic fundamentals. For instance, on 13 January 2011, the Singapore government announced the extension of the holding period for imposition of the seller's stamp duty ("**SSD**") on residential properties from three years to four years based on new rates. The new SSD rates, ranging from 4% to 16%, will be imposed on residential properties which are acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within four years of acquisition. In December 2011, the Singapore government introduced the additional buyer's stamp duty ("**ABSD**"), which was further enhanced in January 2013. ABSD ranging from 5% to 15% is to be paid by certain groups of people who buy or acquire residential properties (including residential land). Further, the Group may, where necessary, apply for ABSD remission and if granted, the Inland Revenue Authority of Singapore may impose conditions on the Group. If such conditions are not met, ABSD with interest will be payable. While the Group is not currently affected by ABSD, it will be subject to such ABSD and interest for future residential land acquisition which the Group may undertake. In addition, under the Qualifying Certificate rules under the Residential Property Act, Chapter 274 of Singapore, all developers with non-Singaporean shareholders or directors are required to obtain the Temporary Occupation Permit ("**TOP**") for their residential property developments within 5 years and to sell all dwelling units within two years from the date of TOP. Additional stamp duty of 8%, 16% and 24% of the land purchase price for the first, second and subsequent years past the 2 year TOP deadline will be incurred to extend the deadline. At present, the Group is affected by this Qualifying Certificate scheme and is incurring extension charges as it has units in its residential property developments at Tomlinson Heights, Interlace and d'Leedon which remain unsold although two years have passed since TOP.

In addition, the loan-to-value limits on housing loans granted by financial institutions have been tightened for individuals who already have at least one outstanding loan, as well as for non-individuals such as companies. Besides tighter loan-to-value limits, the minimum cash down payment for individuals applying for a second or subsequent housing loan has also been raised. In June 2013, the Monetary Authority of Singapore introduced a new total debt servicing ratio ("**TDSR**") framework for property loans granted by financial institutions to individuals. The TDSR framework requires financial institutions to take into consideration borrowers' other outstanding debt obligations when granting property loans. The TDSR is the percentage of total monthly debt obligations to gross monthly income and the general position is that a property loan extended by a financial institution will not exceed a TDSR threshold of 60%.

The measures above, and any further legislation or policies to encourage financial prudence which may be introduced by the Singapore government to moderate the property market in Singapore, may affect the purchasing power of potential buyers of residential properties and may dampen the general sentiments of the residential property market, resulting in reduced demand for and consequently fewer sales of residential property units in Singapore.

There is no assurance that the Singapore government will abolish the existing legislation or policies intended to cool the property market. There is also no assurance that the Singapore government will not introduce further legislation or policies or amend existing legislation or policies to further regulate the growth of the Singapore property market.

All these measures may have an adverse effect on the business, financial condition, results of operations and/or prospects of the Group.

The Group's business is affected by economic developments and downturns and uncertainties and instability in global market conditions

The businesses that the Group manages are closely linked to economic growth and developments as well as global market conditions. These businesses are cyclical in nature and profitability will rise and fall with the general economic cycles and also be influenced by market conditions. Economic downturns are likely to have a negative impact on leisure travel and sales of property.

In addition, concerns about the outlook of China's economy, Britain's possible exit from the European Union and the expectation of an interest rate hike in the United States have affected global equity markets and commodity prices.

In June 2016, a majority of voters in the United Kingdom elected to withdraw from the European Union in a national referendum ("**Brexit**"). The results of the Brexit referendum has created significant uncertainty about the future relationship between the United Kingdom and the European Union, including with respect to the laws and regulations that will apply when the United Kingdom leaves the European Union. Brexit has also given rise to calls for the governments of other European Union member states to consider withdrawal. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. In addition, there are also still lingering concerns about sovereign debt in certain European nations which have continued to have a significant impact on the global capital markets associated not only with asset-backed securities but also with the global credit and financial markets as a whole.

Furthermore, the slide in oil prices has also resulted in depressed growth in many resource-dependent economies. Economic factors including, without limitation, changes in interest rates and inflation, changes in gross domestic product, economic growth, employment levels and consumer spending, consumer and investment sentiment, property market volatility and availability of debt and equity capital could adversely affect the business, financial condition and results of operations of each of the Group.

As such, the Group's businesses and operations are exposed to fluctuations in economic and market conditions of the countries in which it operates and an economic recession in the United States, Europe, China and other countries, might have an adverse effect on the business, financial condition and results of operations of the Group.

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

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

The Group's business is subject to intense competition in the hotel industry

The luxury segment of the hotel and resort industry is also subject to intense competition for guests, the acquisition of new properties, the entry into new hotel management agreements and the continuation and renewal of existing hotel management agreements.

There can be no assurance that new or existing competitors will not offer significantly lower rates than the Group's rates or offer greater convenience, services or amenities or significantly expand or improve facilities in the locations in which it operates, thereby adversely affecting its results of operations. There can also be no assurance that demographic, geographic or other changes in markets will not adversely affect the accessibility or attractiveness of the Group's hotel properties.

The Group's hospitality business is subject to all of the risks common in the hospitality industry

A number of factors, many of which are common to the hospitality industry and beyond the Group's control, could materially and adversely affect the Group's hospitality business, including but not limited to the following:

- increased competition from other alternative accommodation options such as Airbnb which may offer more attractive rates for guests;
- increases in operating costs due to inflation, labour costs, workers' compensation and health-care related costs, utility costs, insurance and unanticipated costs such as acts of nature and their consequences and other factors;
- dependence on business and commercial travel, leisure travel and tourism, all of which may fluctuate, tend to be seasonal and are subject to the adverse effects of national and international market conditions;
- increases in maintenance or capital improvements; and
- adverse effects of a downturn in the hospitality industry.

All of these factors could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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

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

The Group's business is dependent on the reputation of the hotel brands used in its operations, its hotel brands and the protection of its intellectual property rights

Any event that materially damages the reputation of one or more of the hotel brands owned by third parties which are used in the Group's operations ("**External Hotel Brands**") or the Group's brands and/or failure to sustain the appeal of External Hotel Brands or the Group's brands to its customers could have an adverse impact on the value of that brand and subsequent revenues from that brand or business. In addition, the value of External Hotel Brands or the Group's brands is influenced by a number of other factors, some of which may be outside the Group's control, including commoditisation (whereby price and/or quality becomes relatively more important than brand identifications due, in part, to the increased prevalence of third-party intermediaries), consumer preference and perception, failure by the owner of the relevant brand, the Group or its franchisees to ensure compliance with the significant regulations

applicable to hotel operations (including fire and health and safety requirements), or other factors affecting consumers' willingness to purchase goods and services, including any factor which adversely affects the reputation of those brands.

In particular, where the Group is unable to enforce adherence to its operating and quality standards, or the significant regulations applicable to hotel operations, pursuant to its management and franchise contracts, there may be a further adverse impact upon brand reputation or customer perception and therefore the value of the External Hotel Brands or the Group's hotel brands. Any widespread infringement, misappropriation or weakening of the control environment could materially harm the value of the External Hotel Brands and the Group's brands, and the Group's ability to develop the business.

The Group's performance is subject to its ability to attract, retain and train qualified managerial and other employees

The Group's performance depends largely on its ability to attract, train, retain and motivate high quality personnel, especially for the management team. Relations with employees could deteriorate due to disputes related to, among other things, wage or benefit levels. The loss of key employees may have a material adverse effect on the Group's performance. If the Group is not able to retain, hire and train qualified managerial and other employees, its business may be materially and adversely affected.

In the Group's hospitality business, its managerial and other employees are critical to maintaining the quality and consistency of its services as well as its established brands and reputation since they manage the Group's hotels and interact with its customers on a daily basis. In general, employee turnover is relatively high in the hospitality industry, as other hotels commonly seek to lure away employees in this competitive industry. As a result, it is important for the Group to retain as well as attract qualified managerial and specialised employees who are experienced in the hospitality services industry. There is a limited supply of such qualified and specialised individuals in Singapore, and in some of the cities where the Group has operations. In addition, the Group needs to hire and train qualified managerial and other employees on a timely basis to keep pace with its rapid growth while maintaining consistent quality of services across its hotels in various geographic locations. The Group must also provide continuous training to its managerial and other employees so that they have up-to-date knowledge of various aspects of the Group's hotel operations and can meet its demand for high-quality services. If the Group fails to do so, the quality of its services may decrease, which in turn may have a material and adverse effect on its business.

The Group may not be able to expand its operations successfully

The expansion of the Group's property division is dependent upon a number of factors, including the identification of appropriate development and ownership opportunities at commercially acceptable prices, the availability of financing for new developments and the expansion of the Group's hotel division, which is contingent on the identification of suitable hotels or resorts, timely completion of construction of new hotels, resorts and properties and the refurbishment of existing hotel and resort properties.

There can be no assurance that the Group will succeed in its expansion plans. If the Group is unsuccessful in doing so, it may be unable to expand its operations and increase its revenues and profits.

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

The Group has, and expects to have in the future, interests in joint ventures in connection with its business plans. Sometimes, its ability to withdraw funds (including dividends) from participation in, and to exercise management control over, joint ventures and investments therein depends on receiving the consent of its joint venture partners. In addition, if there are disagreements between the Group and its joint venture partners regarding the business and operations of the joint ventures, the Group might not be able to resolve them in a manner that will be in its best interests. The Group's joint venture partners may (i) have economic or business interests that are inconsistent with those of the Group; (ii) take actions contrary to the Group's instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the performance of the Group's joint ventures, which may in turn materially and adversely affect its financial condition and results of operations.

The Group may require additional financing for future growth, which may not be available or may only be available on unfavourable terms

The Group may come across investment opportunities from time to time which may require additional funding. Under such circumstances, the Group may have to obtain financing to finance its operations and business activities. Should the Group not be able to secure financing on commercially reasonable or acceptable terms, the Group may not be able to implement its future growth plans fully. Changes in the cost of current and future borrowings, including a rise in interest charged on these borrowings, or the covenants given in relation to such financing, may limit or otherwise have an adverse effect on the Group's financial condition, results of operations and cash flows.

Further, any breach by the Group of covenants given in relation to such financing may give rise to rights exercisable by the lenders. Such rights include, *inter alia*, terminating the relevant financing, enforcing any security granted in relation to such financing or accelerating the repayment of the outstanding loan amounts. Thus, any such breaches may have a material and adverse impact on the Group's results of operations and financial position.

The Group's financial performance may be affected by changes in travel patterns resulting from increases in expenses related to travel, transportation or fuel costs, strikes among workers in the transportation industry or adverse weather patterns

Changes in travel patterns can be erratic and this may adversely affect the revenue and profitability of the Group's hotel division. Increases in expenses related to travel, transportation or fuel costs and oil prices, strikes among workers in the transportation industry or adverse weather patterns may deter travellers and the financial performance of the Group may be adversely affected as a consequence.

The Group is exposed to interest rate risks

The Group's exposure to the risk of changes in interest rates relates mainly to its bank borrowings. The Group actively reviews its debt portfolio to achieve the most favourable interest rates available. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. Hedging instruments such as interest rate swaps are also used where appropriate to minimise its exposure to interest rate volatility. However, these hedging instruments may not adequately cover the Group's exposure to interest rate fluctuations and may not have the desired beneficial impact on the operations or financial condition of the Group.

Interest rate hedging involves risks and transaction costs, which could reduce overall returns. Interest rate hedging could also fail to protect the Group or adversely affect the Group because among others:

- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent;
- that it impairs the Issuer's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes although unrealised, would reduce the net asset value of the Group if it is due to downward adjustments.

Further, an increase in interest rates in Singapore may negatively impact the Group's residential property developments. High interest rates generally impact the real estate industry by making it costly for consumers to qualify for and secure financing, which can lead to a decrease in the demand for residential sites. Any downturn in the economy or drop in consumer confidence may also result in reduced housing demand, which could negatively impact the demand for the Group's residential property developments.

Any of the above could potentially have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

The Group is exposed to foreign exchange risks and exchange controls

The Group operates internationally and is exposed to foreign exchange risks arising from various currency exposures including, amongst others, United States dollars, Sterling pounds, Indonesian rupiah, Thai baht, Malaysian ringgit and Australian dollars. Government and monetary authorities may also impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate.

While the Group maintains natural hedges whenever possible, by borrowing in currencies that match the future revenue stream to be generated from its investments, this may not adequately cover the Group's exposure to currency fluctuations. As a result, the Group's operations and/or financial condition could potentially be adversely affected by currency fluctuations.

Further, as the securities issued under the Programme can be denominated in currencies other than Singapore dollars, fluctuations between the Singapore dollars and such foreign currencies may affect the Issuer's payment obligations under such Securities. There is also no assurance that the Issuer may be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

The Group may also enter into cross currency swaps to hedge foreign exchange exposure, and the Group is accordingly exposed to risks similar to the interest rate hedging risks described above.

The Group may be involved in disputes, legal and other proceedings arising from its operations from time to time and may be subject to regulatory reviews and queries

The Group may be involved from time to time in disputes with various parties. These disputes may involve, amongst others, its business operations, which may lead to legal and other proceedings, and may cause the Group to incur additional costs and delays and to divert management resources. In addition, the Group may have disagreements with regulatory bodies in the course of its operations on legal interpretation of laws and regulations which may subject the Group to administrative proceedings and unfavourable orders, directives or decrees that may have a material adverse effect on the Group's business, reputation, financial condition, results of operations and prospects.

The Group's insurance coverage may not cover all losses and liabilities

The Group maintains insurance coverage against claims arising from various occurrences, such as property damage, business interruption and public liability that occur in connection with the Group's business and operations, environmental disasters as well as limited coverage for terrorism. However, in the event that such claims exceed the insurance coverage of insurance policies which have been taken up, the Group may be liable to cover the shortfall for such amounts claimed. Moreover, certain types of risks (for example, war risks) may be uninsurable or the cost of the insurance may be prohibitive or not economically viable when compared to the risks. If such events were to occur, the Group's financial condition, results of operations and cash flows may be materially and adversely affected.

The Group is dependent on the condition and performance of the property industry in the countries it operates in

The Group's real estate business is subject to the economic conditions and performance of the property industry in the countries it operates in, where property prices are largely affected by supply and demand for properties. The demand for retail, commercial and residential space could be adversely affected by any of the following:

- weakness in the national and regional economies;
- a decline in the number of tourist arrivals to the Group's target markets;
- adverse financial condition of certain large corporations and retailing companies;
- supply exceeding demand for retail, commercial or residential space in the Group's target markets;
- an increase in consumer purchases through catalogues or the Internet and reduction in the demand;

- for tenants to occupy the Group's retail properties as a result of the Internet and e-commerce;
- the timing of, and costs associated with, property improvements and rentals;
- any changes in taxation and zoning laws;
- adverse government regulation;
- higher interest rates;
- competition from other property companies; and/or
- absence of financing for purchase of properties.

To the extent that any of these factors occur, they are likely to impact the demand for the Group's properties, pricing, market rents for retail and commercial space which will then affect the business, financial condition, results of operations and prospects of the Group and the value of the Group's properties. The Group may also incur losses in its property development business by retaining unsold properties or selling them below cost in a depressed market. In the event that the Group is unable to sell its unsold properties, the Group may incur holding costs, including interest costs, maintenance costs and Qualifying Certificate penalties.

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

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

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

The quality, nature and extent of the title to the properties in the Group's portfolio vary, depending on a number of factors, including:

- the stage of development of the property;
- the extent to which the contract pursuant to which the property interest was acquired has been performed, the extent to which the terms and conditions thereunder have been complied with, and the amount of the purchase consideration which has been paid;
- the extent of compliance by the Group or any other relevant party (including previous owners, the vendor of the property and the entity in which the Group invested that has acquired or is acquiring the property) with all relevant laws and regulations relating to the ownership, use, sale, development or construction of the property;
- the manner in which the interest in the property is held, whether through a joint venture, a development agreement, under a master lease, an option to purchase or a sale and purchase agreement, through asset-backed securities or otherwise;

- in the case where the property interests are leasehold interests, the extent of compliance by the Group or any other relevant party (including previous lessees or lessors, the vendor of the property and the entity in which the Group has invested that has acquired or is acquiring the property) with the terms and conditions of the state or head lease or any other document under which the title of the property is derived;
- the capacity, power, authority and general creditworthiness of the counterparties to the contractual and other arrangements through which the Group has acquired its interest in the property;
- the laws and regulations that apply to the property; and
- the country and location of the property.

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

Acquisition of the Group's real estate portfolio may be subject to risks associated with the acquisition of properties

While the Group believes that reasonable due diligence investigations have been conducted prior to the acquisition of its properties, there can be no assurance that its real estate holdings will not have defects or deficiencies requiring significant capital expenditures, repair or maintenance expenses, or payment or other obligations to third parties. The information that the Group relies upon as part of the due diligence investigations of its properties may be subject to inaccuracies and deficiencies, as certain building defects and deficiencies may be difficult or impossible to ascertain due to the limitations inherent in the scope of the inspections, the technologies or techniques used and other factors. In particular, no assurance can be given as to the absence of latent or undiscovered defects or deficiencies, inaccuracies or deficiencies in such reviews, surveys or inspection reports, any of which may have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

In addition, some of the properties may be in breach of laws and regulations (including those in relation to real estate) or may fail to comply with certain regulatory requirements in ways that the Group's due diligence investigations did not uncover. As a result, the Group may incur additional financial or other obligations in relation to such breaches or failures, which will have an adverse effect on its business, financial condition, results of operations and prospects.

The Group's land may be subject to compulsory acquisition

Ownership of land comprises a significant part of the Group's assets and its property development business. Under the Land Acquisition Act, Chapter 152 of Singapore, the State may compulsorily acquire land whenever any particular land is needed (i) for any public purpose; (ii) by any person, corporation or statutory board, for any work or an undertaking which, in the opinion of the Minister of Law, is of public benefit, public utility, or in the public interest; or (iii) for any residential, commercial or industrial purpose.

In determining the amount of compensation to be awarded for land acquired, only certain matters may be considered and no others. These matters include: (i) the market value of the acquired land as of the date of the publication of the relevant notice or declaration of intention to acquire the land; (ii) any damage caused by the acquisition of the property to the landowner's other property; and (iii) any re-location cost incurred by the landowner.

If the compensation awarded pursuant to a compulsory acquisition of the Group's land is lower than its market value, it could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, real property that the Group owns which is located outside of Singapore may be compulsorily acquired by the respective governments of the countries in which they are located for public use or for public interest. The owner of such real property that has been compulsorily acquired may be compensated in accordance with the laws of the respective jurisdictions. In the event that any of the Group's real property located outside of Singapore is compulsorily acquired, the compensation given in respect of the acquired property could be less than the property's market value, which could adversely affect the Group's business, financial condition, results of operations and prospects.

RISKS RELATING TO THE 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, the ability of the Securityholders, or the price at which the Securityholders may be able to sell their 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.

The secondary market generally

Securities may have no established trading market when issued and such a market may never develop. If a market 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 Securities.

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

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

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. The Securityholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

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

The Issuer and other non-U.S. financial institutions through which payments on the Securities are made may be required to make withholdings pursuant to U.S. foreign account tax compliance provisions

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

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

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

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

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 relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;
- (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, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor’s currency;

- (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 and such instruments may be purchased 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 such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Securities may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for 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.

Modification

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 (but is not obliged to) agree and may (it being entitled to rely on, at the expense of the Issuer, external legal, financial or other professional advice or opinion for this purpose) at any time or times without any consent or sanction of the Securityholders or the Couponholders concur with the Issuer in making any modification, at the Issuer's expense (i) to the Trust Deed which in the opinion of the Trustee it may be expedient to make, provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Securityholders or (ii) to 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, Clearstream, Luxembourg and/or the Depository. Any such modification shall be binding on the Securityholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuer shall cause such modification to be notified to the Securityholders as soon as practicable thereafter in accordance with the terms and conditions 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, a Common Depository, 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 or Certificates. 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 Issuer will discharge its payment obligations under the Securities by making payments to the Common Depository or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Issuing and 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 Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

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

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.

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

The Issuer will pay principal and interest or distributions on the Securities in the currency specified. This presents certain risks relating to currency conversions if Securityholders' financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (a) the Investor's Currency equivalent yield on the Securities, (b) the Investor's Currency equivalent value of the principal payable on the Securities, if any, and (c) the Investor's Currency equivalent market value of the Securities.

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

The Securities are not secured

The Securities and Coupons relating to them constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured obligations of the Issuer. Accordingly, on a winding-up or insolvency of the Issuer at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific assets of the Issuer or, as the case may be, its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders. There can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons, as the case may be, owed to the Securityholders.

The value of the Securities could be adversely affected by a change in Singapore law or administrative practice

The conditions of the Securities are based on Singapore law in effect as at the date of this Information Memorandum. 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 this Information Memorandum and any such change could materially adversely impact the value of any Securities affected by it.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Paying Agents and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstance, be able to fulfill its obligations to the Securityholders.

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

In certain circumstances (including pursuant to Condition 11 of the Notes and Condition 9 of the Perpetual Securities, as the case may be), the Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

RISKS RELATING TO THE NOTES

Singapore taxation 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 intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “Taxation – Singapore Taxation”.

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

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of such 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 Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

RISKS RELATING TO THE PERPETUAL SECURITIES

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

The Perpetual Securities have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, 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 Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer

will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Group's financial condition.

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

The Perpetual Securities have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to the date fixed for redemption. In addition, if specified in the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See the section "Terms and Conditions of the Perpetual Securities – Redemption and Purchase".

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

There are limited remedies for default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the terms and conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings is limited to circumstances where payment has become due and the Issuer fails to make the payment when due and such failure continues for a period of 10 business days in the case of distributions or two business days in the case of principal. The only remedy against the Issuer available to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be proving in such winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

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

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

The Subordinated Perpetual Securities are subordinated obligations

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

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

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 “Taxation – Singapore Taxation”) would apply to the Relevant Tranche of the Perpetual Securities.

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

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. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, 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 dated 3 March 2017 made between (1) Hotel Properties Limited, as issuer (the “**Issuer**”) and (2) The Bank of New York Mellon, Singapore Branch (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below) (as amended, restated and supplemented from time to time, the “**Trust Deed**”), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 3 March 2017 (as amended and supplemented from time to time, the “**Deed of Covenant**”) executed by the Issuer relating to Notes cleared or to be cleared through the CDP System (as defined in the Trust Deed) (“**CDP Notes**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 3 March 2017 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent (in such capacity, the “**Issuing and 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**”), (3) The Bank of New York Mellon, London Branch, as paying agent in respect of Notes cleared or to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below) (“**Non-CDP Notes**”) (in such capacity, the “**Non-CDP Paying Agent**” and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”) and as calculation agent (in such capacity, the “**Calculation Agent**”), (4) The Bank of New York Mellon (Luxembourg) S.A., as 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**”) and registrar in respect of Non-CDP Notes (in such capacity, the “**Non-CDP Registrar**”, and together with the CDP Registrar, the “**Registrars**”), and (5) the Trustee, as trustee for the Noteholders (as amended, restated and supplemented from time to time, the “**Agency Agreement**”). 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 and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series (as defined below) 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.

Copies of the Trust Deed, the 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 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 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 or loss 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 Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”), The Central Depository (Pte) Limited (the “**Depository**”) and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent and all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly). Notes which are represented by

the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system. For so long as any of the Notes is represented by a Global Security or a Global Certificate (each as defined below) and such Global Security or, as the case may be, Global Certificate is held by the Depository, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Note shall, unless otherwise specified by the Issuer, be the date falling five (5) business days prior to the relevant payment date (or such other date as may be prescribed by the Depository).

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

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

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

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to 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)(i)) 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 Issuer, 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 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

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

4. Covenants

- (a) **Negative Pledge:** The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding (as defined in the Trust Deed), it will not, and will ensure that none of its Principal Subsidiaries will, create or have outstanding any security on or over their respective present or future assets, save for:
- (i) liens or rights of set off arising solely by operation of law (or by an agreement evidencing the same) or in the ordinary course of its business, in either case, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means;

- (ii) any security existing as at the date of the Trust Deed and disclosed in writing to the Trustee on or prior to the date of the Trust Deed;
 - (iii) any security over the assets of a Principal Subsidiary subsisting as at the date on which it became a Principal Subsidiary;
 - (iv) any security over any of its assets acquired or developed by it ((in the case of a development of such asset) whether such assets are acquired before or after the date of the Trust Deed) after the date of the Trust Deed for the sole purpose of financing or refinancing the acquisition or development of such assets (whether such financing or refinancing (which shall include any financing or refinancing by way of intercompany loans) is raised or the development is undertaken, by itself, any related corporation, joint venture partner or any joint venture company in which it has an interest) and securing a principal amount not exceeding the cost of that acquisition or development;
 - (v) any security created prior to and subsisting at the time of the acquisition or development of any asset by it after the date of the Trust Deed;
 - (vi) any security required to be given pursuant to the terms of any credit facility to secure any existing security referred to in paragraphs (ii), (iii), (iv) and (v) above and any asset acquired by it after the date of the Trust Deed in order to comply with any security margin set out in such credit facility;
 - (vii) security arising out of title retention provisions in a supplier's or financier's normal conditions of supply, hire purchase or leasing arrangement in respect of goods acquired by the Issuer or relevant Principal Subsidiary in the ordinary course of its business;
 - (viii) any security to be created over any asset referred to in paragraphs (ii), (iii), (iv) and (v) in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by such asset provided that the amount secured by such security shall not exceed 65 per cent. of the then current market value of such security (as determined on the basis of a valuation report prepared by an independent valuer);
 - (ix) any security created over the Excluded Properties provided that the amount secured by such security shall not exceed 65 per cent. of the then current market value of such security (as determined on the basis of a valuation report prepared by an independent valuer); and
 - (x) any other security as shall be approved by the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).
- (b) **Financial Covenants:** The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:
- (i) the Consolidated Tangible Net Worth will not at any time be less than S\$750,000,000; and
 - (ii) the ratio of Consolidated Total Debt to Consolidated Tangible Net Worth shall not at any time be more than 1.5:1.
- (c) **Non-disposal:** The Issuer 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 Principal Subsidiaries will, (whether by a single transaction or a number of related transactions) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) any substantial part of its assets or undertake any other disposal of assets which could have a material adverse effect on the Group, taken as a whole. The following disposals shall not be taken into account under this Condition 4(c):

- (i) disposals at arm's length on reasonable commercial terms or disposals in the ordinary course of business, trade or operations provided that each such disposal is not likely to materially and adversely affect the Issuer's ability to perform its obligations under the Trust Deed or the Securities;
- (ii) disposal on reasonable commercial terms of obsolete assets or assets no longer required for the purpose of the relevant person's business;
- (iii) the payment of cash (being the asset) as consideration for the acquisition of any asset on normal commercial terms;
- (iv) disposals pursuant to any solvent reorganisation or solvent restructuring exercise provided that the assets either remain within the Group or are disposed to any entity which is controlled by any member of the Group; and
- (v) any disposal which the Noteholders by way of an Extraordinary Resolution shall have agreed shall not be taken into account;

and, for the purpose of this Condition 4(c), the words "substantial part of its assets" shall mean that the value of each of such assets constitutes more than 20 per cent. of the total assets of the Group, determined on the basis of the latest available audited consolidated accounts of the Group.

For the purposes of these Conditions:

"Consolidated Tangible Net Worth" 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: (1) the total equity of the Issuer and (2) all loans made to the Issuer by its shareholders on a subordinated basis, all as shown in the then latest audited or unaudited consolidated balance sheet of the Group less (but without double counting) any amount included in the total equity of the Issuer which is attributable to:

- (aa) goodwill and other intangible assets;
- (bb) (to the extent not already provided for) any sums set aside for future taxation; and
- (cc) any dividend or other distribution declared or made by the Issuer;

"Consolidated Total 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:

- (1) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;
- (2) 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;
- (3) the liabilities of the Issuer under the Trust Deed or the Notes;
- (4) all other indebtedness whatsoever of the Group for borrowed moneys and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group and which is not included as part of total equity; and
- (5) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group and which is not included as part of total equity;

“Excluded Properties” means the following properties:

- (1) Hard Rock Hotel Pattaya located at 429 Moo 9, Pattaya Beach Road, Chonburi 20150, Thailand;
- (2) The Metropolitan Bangkok located at 27 South Sathon Rd, Khwaeng Thung Maha Mek, Khet Sathon, Krung Thep Maha Nakhon 10120, Thailand;
- (3) The Boathouse, Phuket located at 182 Koktanode Road, Kata Beach, Phuket 83100, Thailand;
- (4) a plot of land at Rawai Sub-district, Phuket, Thailand located at Laem Ka Beach, Viset Road (4024) Rawai Subdistrict, Muang Phuket District, Phuket Province, Thailand;
- (5) Maamunagau Island located at Raa Atoll, Republic of Maldives; and
- (6) Foththeyobodufushi Island located at Vaavu Atoll, Republic of Maldives;

“Group” means the Issuer and its subsidiaries and “member of the Group” shall be construed accordingly;

“Principal Subsidiaries” means any Relevant Subsidiary of the Issuer:

- (1) whose profits before tax, as shown by the accounts of such Relevant Subsidiary (consolidated in the case of a company which itself has subsidiaries, joint ventures and/or associated companies), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the profits before tax of the Group as shown by such audited consolidated accounts; or
- (2) whose total assets, as shown by the accounts of such Relevant Subsidiary (consolidated in the case of a company which itself has subsidiaries, joint ventures and/or associated companies), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

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

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

Any Relevant 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 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 profits before tax or (as the case may be) total assets as shown by the accounts of such Relevant Subsidiary (consolidated in the case of a company which itself has subsidiaries, joint ventures and/or associated companies), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the consolidated profits before tax or (as the case may be) total assets of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a Relevant Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive;

“Relevant Subsidiary” means a subsidiary of the Issuer other than any subsidiary which is a joint venture between (1) any member of the Group and (2) another entity which is not a member of the Group and such subsidiary is treated as a jointly-controlled entity as shown in the latest audited consolidated accounts of the Group; and

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

5. (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 in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

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

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation of that Fixed Rate Note if it is a Bearer Note or, in the case of a Registered Note, the Certificate representing that Fixed Rate Note and subject to the provisions of the Trust Deed, payment of 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 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 Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

For the purposes of these Conditions, **“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, 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 the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on 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 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 for the relevant Series of Floating Rate Notes 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 Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page 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 Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or if the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, 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 may be provided hereon) and as adjusted by the Spread (if any);
- (C) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;
- (D) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) 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 (C) above on the basis of the quotations of those Reference Banks providing such quotations;

- (E) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and
 - (F) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(1)(A) to (b)(ii)(1)(E) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(1)(A), (b)(ii)(1)(B), (b)(ii)(1)(C), (b)(ii)(1)(D) or (b)(ii)(1)(E) above shall have applied;
- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Calculation Agent for the relevant Series of Floating Rate Notes 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 Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD Swap Offer" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
 - (B) if on any Interest Determination Date no such rate is quoted on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, 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 ABSFZX1 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);
 - (C) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFZX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFZX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the next 1/16 per cent.)) 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;

- (D) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) if on any Interest Determination Date, the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A), (b)(ii)(2)(B) and (b)(ii)(2)(C) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) 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
- (E) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(2)(A) to (b)(ii)(1)(B) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(2)(A), (b)(ii)(2)(B), (b)(ii)(2)(C) or (b)(ii)(2)(D) above shall have applied; and
- (3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:
- (A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
- (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
- (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,
- and as adjusted by the Spread (if any);
- (B) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant

Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) 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);

- (C) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) 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; and
 - (D) if the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(3)(A) to (b)(ii)(3)(C) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(3)(A), (b)(ii)(3)(B) or (b)(ii)(3)(C) above shall have applied.
- (iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
 - (iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(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 Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

- (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
- (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The Issuer has undertaken to the Issuing and Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:
- (1) notify the Issuer, the Issuing and Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
- (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant 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 Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount 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 or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and 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 or Sunday) on which banks and foreign exchange markets are open for general business in Singapore;
- (2) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros; and
- (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

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

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

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

“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 Bloomberg agency or the Reuters Monitor Money Rates Service (**“Reuters”**)) agreed to by the Calculation Agent;

“Reference Banks” means the institutions specified in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent 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 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 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 within 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 the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on 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 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(i)). 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(i)).

(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 Issuing and Paying Agent, the Trustee and the Issuer not later than the fourth business day after their determination. 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 foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Calculation Agent and Reference Banks

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

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 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 Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of 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 Issuer at their Redemption Amount on any Interest Payment Date and the 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 Issuing and Paying Agent and 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 other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and 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 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 Issuing and 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 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 Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and 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 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 Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

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

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

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

(e) Redemption at the Option of Noteholders

- (i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to 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 Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.
- (ii) If so provided in the applicable Pricing Supplement, if for any reason, a Change of Control Event (as specified in that applicable Pricing Supplement) occurs, the Issuer will, within seven days of such occurrence, give notice to the Noteholders of the occurrence of such event (the "**Change of Control Notice**") (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option) and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 45 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable), no later than 30 days from the date of the Change of Control Notice. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified on the face of the Note, 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(i) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of

redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee and the Issuing and Paying Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

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

If so provided in the applicable Pricing Supplement, in the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than seven days (excluding a gazetted public holiday), the 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 any date on which the interest is due to be paid on such notes or, if earlier, the date falling 45 days after the Effective Date.

The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this Condition 6(g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with an Exercise Notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable) not later than 21 days after the Effective Date. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

In this Condition 6(g), “**Effective Date**” means (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days.

(h) Purchases

The Issuer or any of its subsidiaries (as defined below) 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 Issuer or any of its subsidiaries may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or, 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.

(i) 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 thereon.

(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.

(j) Cancellation

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

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

(d) Appointment of Agents

The Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and 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, Registrars and Calculation Agents, provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore and (in the case of Non-CDP Cleared Notes) a Non-CDP Paying Agent, as the case may be, (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 promptly be given to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Issuing and 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 the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and 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 reasonable opinion of the Issuer, the Issuing and 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 Notes 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 unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in 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 (in the case of Bearer Notes) or the Certificates representing the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to 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 Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this 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 Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer 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 being connected with Singapore (including, without limitation, the holder being a resident of, or a permanent establishment in, 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; or

- (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.

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 Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

10. Events of Default

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

- (a) the Issuer does not pay (i) any principal payable by it under any of the Notes or (ii) any interest payable by it under any of the Notes or any sum payable by it under the Issue Documents (as defined in the Trust Deed), in each case when due and payable unless (1) its failure to pay is caused by administrative or technical error and (2) payment is made within two business days of its due date;
- (b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer 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 21 days of the earlier of (i) the Trustee giving written notice of the failure to perform or comply to the Issuer and (ii) the Issuer becoming aware of the failure to perform or comply;
- (c) any representation, warranty or statement by the Issuer 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 that event or circumstance resulting in that default is capable of remedy, it is not remedied within 21 days of the earlier of (i) the Trustee giving written notice of the failure to perform or comply to the Issuer and (ii) the Issuer becoming aware of the failure to perform or comply;

- (d) (i) any other indebtedness of the Issuer or any of the Principal Subsidiaries in respect of borrowed money is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any default, event of default or the like (however described) or is not paid when due or, as a result of any default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being 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 Issuer 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 (d) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S\$10,000,000 or its equivalent in foreign currencies;

- (e) the Issuer 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 when they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of its indebtedness (or of any part which it will or might 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 a material part of the indebtedness of the Issuer or any of the Principal Subsidiaries;
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of the Issuer or any of the Principal Subsidiaries and is not discharged or stayed within 21 days;
- (g) any security on or over all or a material part of the assets of the Issuer or any of the Principal Subsidiaries becomes enforceable and any step is taken to enforce that security;
- (h) an order is made, a resolution is passed, a meeting is convened or a petition is filed or any other step is taken for the winding-up of the Issuer or any of the Principal Subsidiaries (except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders by way of an Extraordinary Resolution before that event occurs and (ii) (in the case of a Principal Subsidiary only) for a voluntary liquidation of such Principal Subsidiary not involving insolvency) or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of the Principal Subsidiaries or over any part of the assets of the Issuer or any of the Principal Subsidiaries or a receiver of the Issuer or any of the Principal Subsidiaries is appointed pursuant to an instrument to which it is a party;
- (i) the Issuer or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business (otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction as is referred to in paragraph (h) above) or (otherwise than in the ordinary course of its business or save for disposals which are not restricted under Clause 7.3 of the Trust Deed) disposes or threatens to dispose of the whole or any substantial part of its property or assets;
- (j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the Issuer or any of the Principal Subsidiaries, in each case, which would be likely to have a material adverse effect (i) on the financial condition or business of the Issuer or on the consolidated financial condition or business of the Issuer and its subsidiaries taken as a whole or (ii) on the ability of the Issuer to perform or comply with its obligations under any of the Issue Documents or the Notes;

- (k) 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 15.3 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);
- (l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;
- (m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;
- (n) any litigation, arbitration or administrative proceeding is current or pending against the Issuer or any of its Principal Subsidiaries (other than those of a frivolous and vexatious nature and discharged within 30 days of its commencement) (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 Issuer 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 Issuer or on the Issuer and its subsidiaries taken as a whole;
- (o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and
- (p) the Issuer 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.

11. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, 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 by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of 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 or the Issuer 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 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 on the face of the Note may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, 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 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), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed 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 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, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to 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, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

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

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

16. Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

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

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and 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 Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system may approve for this purpose.

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

17. Governing Law and Jurisdiction

- (a) **Governing law:** 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 jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **No immunity:** The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

18. 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.

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. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “Perpetual Securities” are to the Perpetual Securities of one Series only, 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 dated 3 March 2017 made between (1) Hotel Properties Limited, as issuer (the “**Issuer**”) and (2) The Bank of New York Mellon, Singapore Branch (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below) (as amended, restated and supplemented from time to time, the “**Trust Deed**”), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 3 March 2017 (as amended and supplemented from time to time, the “**Deed of Covenant**”) executed by the Issuer relating to Perpetual Securities cleared or to be cleared through the CDP System (as defined in the Trust Deed) (“**CDP Perpetual Securities**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 3 March 2017 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as issuing and paying agent (in such capacity, the “**Issuing and 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**”), (3) The Bank of New York Mellon, London Branch, as paying agent in respect of Perpetual Securities cleared or to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below) (“**Non-CDP Perpetual Securities**”) (in such capacity, the “**Non-CDP Paying Agent**” and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”) and as calculation agent (in such capacity, the “**Calculation Agent**”), (4) The Bank of New York Mellon (Luxembourg) S.A., as 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**”) and registrar in respect of Non-CDP Perpetual Securities (in such capacity, the “**Non-CDP Registrar**”, and together with the CDP Registrar, the “**Registrars**”), and (5) the Trustee, as trustee for the Perpetual Securityholders (as amended, restated and supplemented from time to time, the “**Agency Agreement**”). The Perpetual Securityholders and the holders (the “**Couponholders**”) of the distribution coupons (the “**Coupons**”) appertaining to the interest-bearing 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 and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Issuing and Paying Agent shall, in the case of a Series (as defined below) 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.

Copies of the Trust Deed, the 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 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 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 or loss 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 depositary for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”), The Central Depository (Pte) Limited (the “**Depository**”) and/or any other clearing system, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent and all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Perpetual Securityholder**” and “**holder of Perpetual Securities**” and related expressions shall be construed accordingly). Perpetual

Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system. For so long as any of the Perpetual Securities is represented by a Global Security or a Global Certificate (each as defined below) and such Global Security or, as the case may be, Global Certificate is held by the Depository, the record date for 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 Issuer, be the date falling five (5) business days prior to the relevant payment date (or such other date as may be prescribed by the Depository).

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

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

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

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Perpetual Securities:** In the case of an exercise of the Issuer's option in respect of, or a partial redemption of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to 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 Issuer, 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 Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

- (a) **Senior Perpetual Securities:** This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu, without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

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

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

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

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

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

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

(iii) **No set-off**

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

4. Distribution and other Calculations

(l) 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 of that Fixed Rate Perpetual Security if it is a Bearer Perpetual Security or, in the case of a Registered Perpetual Security, the Certificate representing that Fixed Rate Perpetual Security and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(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 the Distribution Commencement Date to 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 the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from, and including, the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate (as specified in the applicable Pricing Supplement).

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

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) plus the Change of Control Event Margin (if applicable); and

“Swap Offer Rate” means:

- (aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the **“Reset Determination Date”**);
- (bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) 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” at the close of business on the Reset Determination Date (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” at the close of business on the Reset Determination Date (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) 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” at the close of business on the Reset Determination Date (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 the next 1/16 per cent.) 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.

(c) Calculation of Reset Distribution Rate

The Calculation Agent will, on the second business day prior to each Reset Date, calculate the applicable Reset Distribution Rate or (if a Change of Control Event which is specified in the applicable Pricing Supplement has occurred) the applicable 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) Publication of Relevant Reset Distribution Rate

The Calculation Agent will cause the applicable Reset Distribution Rate or (if a Change of Control Event which is specified in the applicable Pricing Supplement has occurred) the applicable Distribution Rate to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer not later than the fourth business day after their determination. The Calculation Agent shall cause notice of the then applicable Reset Distribution Rate or (if a Change of Control Event which is specified in the applicable Pricing Supplement has occurred) the applicable Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Issuing and Paying Agent, the Paying Agents, the Transfer Agents, the Registrars, the Trustee and the Perpetual Securityholders and (except as provided in the Agency Agreement) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) Determination or Calculation by Trustee

If the Calculation Agent does not at any material time determine or calculate the applicable Reset Distribution Rate or (if a Change of Control Event which is specified in the applicable Pricing Supplement has occurred) the applicable 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 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.

For the purposes of these Conditions, “**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, 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 the Distribution Commencement Date and ending on the first Distribution Payment Date and each successive period beginning on a Distribution Payment Date and ending on 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 on its Calculation Amount 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 for the relevant Series of Floating Rate Perpetual Securities 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 Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page 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 no such rate appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or if the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, 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 may be provided hereon) and as adjusted by the Spread (if any);
- (C) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;
- (D) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) 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 (C) above on the basis of the quotations of those Reference Banks providing such quotations;

- (E) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any); and
 - (F) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(1)(A) to (b)(ii)(1)(E) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(1)(A), (b)(ii)(1)(B), (b)(ii)(1)(C), (b)(ii)(1)(D) or (b)(ii)(1)(E) above shall have applied;
- (2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:
- (A) the Calculation Agent for the relevant Series of Floating Rate Perpetual Securities 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 Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD Swap Offer" (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 the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) or the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page (or such other replacement page as aforesaid) is unavailable for any reason, 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 Interest for such Distribution Period as being the rate which appears on the Reuters Screen ABSFZX1 Page under the caption "SGD SOR rates as of 11:00hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any);
 - (C) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSFZX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFZX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the next 1/16 per cent.)) 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;

- (D) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraphs (b)(ii)(2)(A), (b)(ii)(2)(B) and (b)(ii)(2)(C) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) 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
- (E) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(2)(A) to (b)(ii)(2)(D) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(2)(A), (b)(ii)(2)(B), (b)(ii)(2)(C), or (b)(ii)(2)(D) above shall have applied; and
- (3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:
- (A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:
- (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
- (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,
- and as adjusted by the Spread (if any);

- (B) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next 1/16 per cent.) 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);
 - (C) (in the event that the Calculation Agent has notified the Issuer that it is able to do so) 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; and
 - (D) if the Calculation Agent is unable to determine the Rate of Distribution for a Distribution Period in accordance with paragraphs (b)(ii)(3)(A) to (b)(ii)(3)(C) above, the Rate of Distribution for such Distribution Period shall be the Rate of Distribution in effect for the last preceding Distribution Period to which paragraph (b)(ii)(3)(A), (b)(ii)(3)(B) or (b)(ii)(3)(C) above shall have applied.
- (iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.
 - (iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(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 or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and 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 or Sunday) on which banks and foreign exchange markets are open for general business in Singapore;
- (2) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros; and
- (3) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

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

“Day Count Fraction” means, in respect of the calculation of an amount of distribution in accordance with Condition 4:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360; and
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365;

“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 Bloomberg agency or the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Calculation Agent;

“Reference Banks” means the institutions specified in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent 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 inter-bank 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;

“subsidiary” means any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore) of the Issuer; 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 Issuing and Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the 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 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 foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Calculation Agent and Reference Banks

The 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 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 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 and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

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

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

and/or as otherwise specified in the applicable Pricing Supplement.

In these Conditions, “**Junior Obligation**” means, in relation to the Issuer, 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 Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by two directors of the Issuer confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Issuing and Paying Agent shall be entitled to rely without

any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any 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 Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

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

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

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

(iii) If Additional Distribution is set out 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 Issuer 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 Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer'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 Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer's Parity Obligations,

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

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
 - (2) the next Distribution Payment Date on the occurrence of a breach of Condition 4(IV)(d) or the occurrence of a Compulsory Distribution Payment Event; and
 - (3) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

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

(f) No Default

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

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

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

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

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

(c) Redemption for Taxation Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee and the Issuing and Paying Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(d) Redemption for Accounting Reasons

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

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

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

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

(e) Redemption for Tax Deductibility

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

- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced on or after the Issue Date; or
- (iv) the Issuer receiving a ruling by the Comptroller of Income Tax in respect of the Perpetual Securities on or after the Issue Date,

payments of distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are not regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA or are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, so regarded.

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

- (1) a certificate, signed by a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (2) an opinion of the Issuer's independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change 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 Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to 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 expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption upon a Change of Control

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

(h) Purchases

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

Perpetual Securities purchased by the Issuer or any of its subsidiaries may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or, 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.

(i) Cancellation

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

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 payee 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 other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and 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, Registrars and Calculation Agents, provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore and (in the case of Non-CDP Cleared Perpetual Securities) a Non-CDP Paying Agent, as the case may be, (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 promptly be given to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Issuing and 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 the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and 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 reasonable opinion of the Issuer, the Issuing and 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 unmaturing Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 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, unmaturing 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 unexchanged 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 unmaturing Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

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

(g) Non-business days

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

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer 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 being connected with Singapore (including, without limitation, the holder being a resident of, or a permanent establishment in, 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; or
- (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.

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

9. Enforcement Events

(a) Non-payment when Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Enforcement Events

If (i) an order is made or an effective resolution is passed for the bankruptcy, winding up, liquidation, receivership or similar proceedings in respect of the Issuer or (ii) the Issuer fails to pay the principal of or any distributions on any of the Perpetual Securities when due and such failure continues for a period of 10 business days in the case of distributions or two business days in the case of principal (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may (but is not obliged to) without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment

of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded 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 Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' Remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (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 or the Issuer 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 and shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

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 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), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed 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 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, at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

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

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

14. Notices

Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if 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 Perpetual Securities in accordance with this Condition 14.

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

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

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

15. Governing Law and Jurisdiction

- (a) **Governing law:** 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 jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Securities, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **No immunity:** The Issuer agrees that in any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons against it or any of its assets, no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to award, other attachment, the obtaining of an award, judgment, execution or other enforcement) shall be claimed by or on behalf of the Issuer or with respect to any of its assets and irrevocably waives any such right of immunity

which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order, award or judgment which may be made or given in such action or proceedings.

16. 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.

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

1. Initial Issue of Securities

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

Upon the initial deposit of a Global Security with the Common Depositary, CDP, or registration of Registered Securities in the name of (i) any nominee for the Common Depositary and/or (ii) CDP, the relevant clearing system will credit each subscriber with a principal amount of Securities equal to the principal amount thereof for which it has subscribed and paid.

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

2. Relationship of Accountholders with Clearing Systems

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

3. Exchange

3.1 Temporary Global Securities

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

- (i) if the relevant Pricing Supplement indicates that such Global Security is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the Definitive Securities defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Trust Deed for interests in a Permanent Global Security or, if so provided in the relevant Pricing Supplement, for Definitive Securities.

3.2 Permanent Global Securities

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

- (i) if the Permanent Global Security is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if the Permanent Global Security is cleared through CDP and (a) an Event of Default (as defined in the Trust Deed) an Enforcement Event (as defined in the Trust Deed) or analogous event entitling a person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of Securities or the Trustee to declare the Securities to be due and payable as provided in the Conditions has occurred and is continuing, (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in the depository agreement made between the Issuer and CDP and no alternative clearing system is available.

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

3.3 Global Certificates

If the Pricing Supplement states that the Securities are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Securities held in Euroclear or Clearstream, Luxembourg, CDP or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Securities may be withdrawn from the relevant clearing system.

Transfers of the holding of Securities represented by any Global Certificate pursuant to Condition 2(b) of the Notes or, as the case may be, Condition 2(b) of the Perpetual Securities may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer; or
- (iii) if the Global Certificate is cleared through CDP and:
 - (a) an Event of Default or, as the case may be, an Enforcement Event has occurred and is continuing; or
 - (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise); or

- (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or
- (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in the depository agreement made between the Issuer and CDP and no alternative clearing system is available,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Delivery of Securities

On or after any due date for exchange the holder of a Global Security may surrender such Global Security or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Security, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Security exchangeable for a Permanent Global Security, deliver, or procure the delivery of, a Permanent Global Security in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Security that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Security to reflect such exchange or (ii) in the case of a Global Security exchangeable for Definitive Securities, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Securities. In this Information Memorandum, "**Definitive Securities**" means, in relation to any Global Security, the definitive Bearer Securities for which such Global Security may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest that have not already been paid on the Global Security and a Talon). Definitive Securities will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Security, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Securities.

3.5 Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Security, the day following the expiry of 40 days after its issue date and, in relation to a Permanent Global Security, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Securities when due 30 days, after that on which the notice requiring exchange is given and on which commercial banks are open for business in Singapore and in the cities in which Euroclear, Clearstream, Luxembourg, the Depository or, if relevant, the Alternative Clearing System, are located.

4. Amendment to Conditions

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

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Security unless exchange for an interest in a Permanent Global Security or for Definitive Securities is improperly withheld or refused. Payments on any Temporary Global Security issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Securities represented by a Global Security will be made against presentation for endorsement and, if no further payment falls to be

made in respect of the Securities, surrender of that Global Security to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Securityholders for such purpose. A record of each payment so made will be endorsed on each Global Security, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Securities.

For the purpose of any payments made in respect of a Global Security, the relevant place of presentation (if applicable) shall be disregarded in the definition of “business day” set out in Condition 5(II)(d) of the Notes and Condition 4(II)(c) of the Perpetual Securities.

All payments in respect of Securities represented by a Global Certificate (other than a Global Certificate held through CDP) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer in respect of Securities that are represented by a Permanent Global Security will become void unless it is presented for payment within a period of five years from the appropriate Relevant Date (as defined in Condition 8 of the Notes or, as the case may be, Condition 7 of the Perpetual Securities).

4.3 Meetings

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

4.4 Cancellation

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

4.5 Purchase

Securities represented by a Permanent Global Security may only be purchased by the Issuer or any of its related corporations if they are purchased together with the rights to receive all future payments of interest or, as the case may be, distribution thereon.

4.6 Issuer’s Option

Any option of the Issuer provided for in the Conditions of any Securities while such Securities are represented by a Permanent Global Security shall be exercised by the Issuer giving notice to the Securityholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Securities drawn in the case of a partial exercise of an option and accordingly no drawing of Securities shall be required. In the event of a partial redemption of Notes of any Series, Notes will be redeemed pro rata and the Calculation Amount (as

defined in Condition 5(II)(d) of the Notes) of the Notes shall be determined in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or CDP or any other clearing system (as the case may be) and the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of such clearing system.

4.7 Noteholders' Options (in relation to Notes only)

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Security may be exercised by the holder of the Permanent Global Security giving notice to the Issuing and Paying Agent or, as the case may be, the Non-CDP Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of such Permanent Global Security, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Security to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Certificate may be exercised in respect of the whole or any part of the holding of Notes represented by such Global Certificate.

4.8 Trustee's Powers

In considering the interests of Securityholders while any Global Security is held on behalf of, or Registered Securities are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Security or Registered Securities and may consider such interests as if such accountholders were the holders of the Securities represented by such Global Security or Global Certificate.

4.9 Notices

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

- (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Certificate; or
- (ii) CDP, subject to the agreement of CDP, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Certificate.

DESCRIPTION OF THE GROUP

Overview

The Issuer was incorporated in Singapore as a private limited company on 28 January 1980.

It was converted into a public company on 4 May 1982 when it changed its name from Hotel Properties Pte Ltd to Hotel Properties Limited.

The Issuer was admitted to the Official List of the then Stock Exchange of Singapore Limited (now known as the Singapore Exchange Securities Trading Limited) on 17 June 1982.

The principal business activities of the Group are those of hotel ownership, management and operation, property development and investment holding.

As at the financial year ended 31 December 2016¹ (“FY 2016”), the Group owned total assets of approximately S\$3.18 billion and its market capitalisation was approximately S\$1.98 billion. As at the financial year ended 31 December 2015 (“FY 2015”), the Group owned total assets of approximately S\$3.18 billion. For FY 2016, the Group’s revenue was S\$577.6 million and net profit attributable to shareholders was S\$103.5 million. For FY 2015, these figures were S\$579.5 million and S\$81.7 million respectively.

Competitive Strengths and Business Strategies

The Group believes that the following competitive strengths and business strategies have enabled and will continue to enable it to compete effectively in the hospitality, retail, commercial and residential segments:

Owner and operator of hotels with strong hospitality brand names and in diversified locations

The Group has interests in 29 hotels under prestigious hospitality brands such as Four Seasons, Hilton International, Como Hotels, InterContinental Hotels Group and Six Senses Hotels. In addition, the Group also manages its own portfolio of hotels under well-established brands such as Hard Rock Hotels and Concorde Hotels & Resorts. The Group owns hotels, resorts and shopping galleries in 12 countries, namely, Singapore, Malaysia, Thailand, Indonesia, Maldives, Seychelles, Vanuatu, the United States of America, Bhutan, Tanzania, South Africa and Vietnam. Recent acquisitions by the Group include Boathouse Kata Co., Ltd which owns a 38 keys boutique resort at Kata Beach, Phuket, Thailand. The Group also recently purchased its first resort in Vietnam, ‘The Nam Hai’, which is located on the private Ha My beach along the central coast of Vietnam and is close to three UNESCO Sites. The resort was rebranded Four Seasons Resort The Nam Hai, Hoi An after refurbishment. As a testament to its quality accommodation, the Group’s hotels have been awarded various awards, for example, the Group’s resorts in Maldives, Gili Lankanfushi, Six Senses Laamu and Four Seasons Resort Maldives at Landaa Giraavaru were ranked 3rd, 4th and 5th luxury hotels in Maldives by TripAdvisor’s Travellers’ Choice 2017. Four Seasons Resort The Nam Hai, Hoi An was also awarded 2nd best luxury hotel in Vietnam by TripAdvisor’s Travellers’ Choice 2017.

The Group believes that operating under strong hospitality brands located across different countries with a geographically diverse customer base has helped the Group in weathering the adverse impact of external events such as natural disasters, epidemics, financial crises, terrorism and political unrests.

Niche property developer and owner

The Group has established a distinctive track record as a niche player in the quality and premium residential and commercial property market and is known for building quality residential developments in prime locations.

In Singapore, its luxury residential developments include Tomlinson Heights, Robertson Blue, Cuscaden Residences, Scotts 28, Nassim Jade and Four Seasons Park as well as, through joint ventures with CapitaLand, The Interlace and d’Leedon condominiums. The Group also owns commercial and retail property such as Forum The Shopping Mall, shop units at Ming Arcade and Concorde Shopping Mall in Singapore.

¹ All 2016 financial information in this Information Memorandum is unaudited.

As testament of the Group's track record, The Met condominium in Bangkok, Thailand, continues to uphold its reputation as one of the most prestigious condominiums in Thailand which has won many awards for its design. Some of the prestigious awards won by the luxury condominium include 'World's Best Housing Development' at the World Architecture Festival Awards and 'Design of the Year' from President's Design Award Singapore.

In London, the Group together with a consortium of international investors, had in May 2016 acquired two properties (Ludgate House and Sampson House) located in Bankside area in the London Borough of Southwark. These properties are acquired with the benefit of an implementable existing mixed used planning consent (private residential accommodation, offices and retail and leisure space). Work has also continued on the proposed scheme for the Paddington project in the former Royal Mail Delivery office. Designed by Renzo Piano Building Workshop, the scheme was successfully given approval by the local planning authority in December 2016. The project is now going through the final confirmation stages of the planning process.

Other developments by the Group in London include Holland Park Villas, in the borough of Kensington and Chelsea, and Burlington Gate, in Mayfair, London, construction for both are underway with completion expected by the end of 2017. More than half of the apartments in Holland Park Villas are already pre-sold, with marketing activity now being directed towards completion of onsite show apartments. All the apartments in Burlington Gate have been pre-sold with the exception of five premium and penthouse luxury apartments which have been held back from the market until completion.

Presence across multiple market segments

The Group is one of the few hotel owners and operators who are also property developers and who thus have a presence across each of the hotel, retail, commercial and residential property segments. With a relatively stable recurring income stream from its hotel, retail and commercial properties, the Group is able to be selective in its acquisition of quality sites for residential development.

Financially well-positioned to take advantage of attractive expansion opportunities

As at 31 December 2016, the Group had cash balance of approximately S\$117 million and committed working capital lines available of approximately S\$500 million. Coupled with a net debt to total equity ratio of 0.4 as of 31 December 2016, the Group believes that its strong financial position will provide it with the financial flexibility to fund its growth and expansion and allow it to respond quickly and competitively to access financing and further capitalise on emerging investment opportunities in its focus markets. These opportunities include acquisitions of properties and land and redevelopment of existing properties.

Continue to focus on prime properties and unlocking value through asset enhancement

The Group has been and will continue to identify suitable properties globally for hotel, commercial and/or residential developments. For its existing properties, the Group's project team has been and will continue to look into renewal, refurbishment and redevelopment to maximise their respective potential value where feasible.

Key Milestones

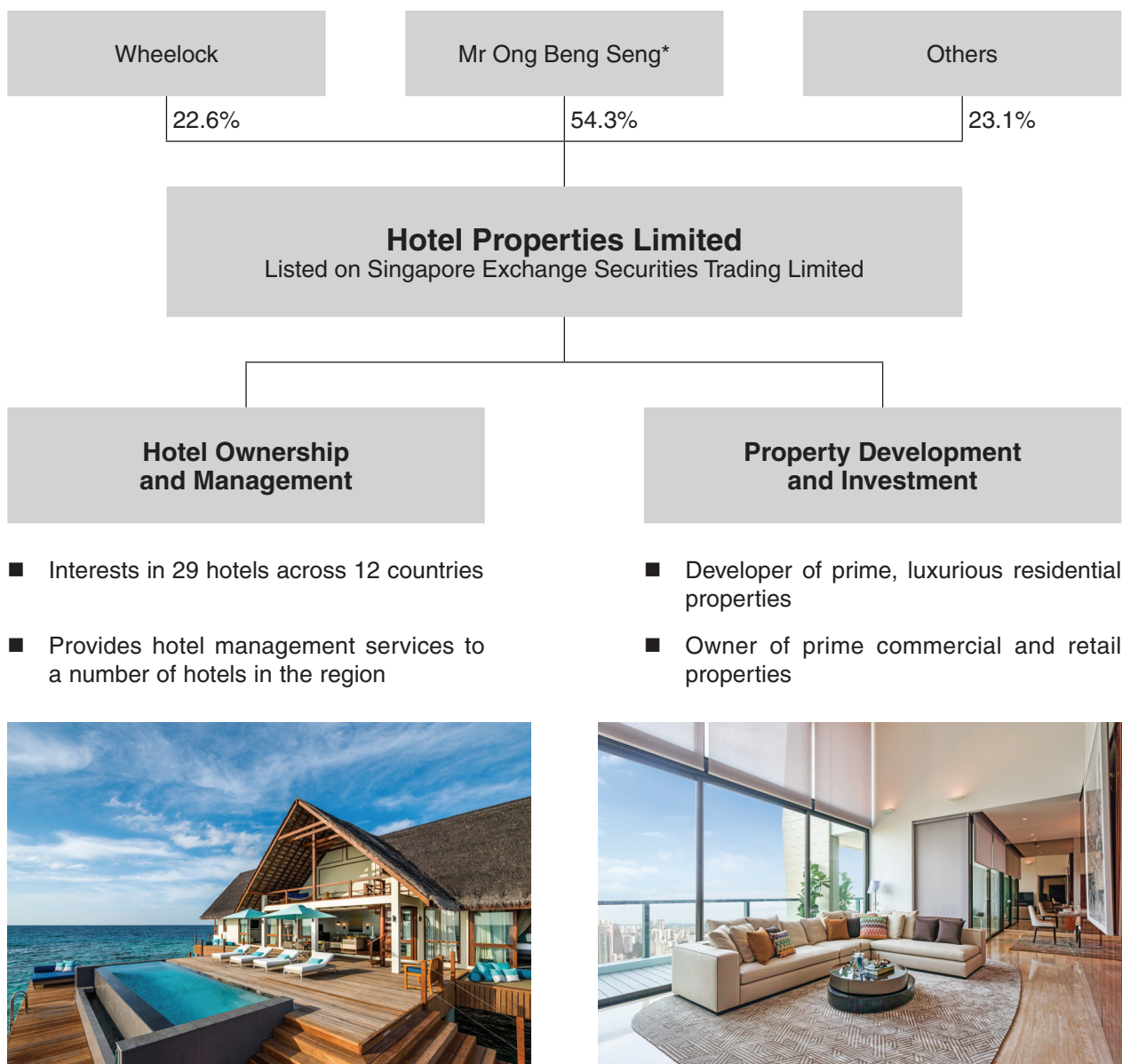
- 1980: Incorporated in Singapore as Hotel Properties Pte Ltd
- 1982: Changed name to Hotel Properties Limited. Listed on Stock Exchange of Singapore Limited with Hilton Singapore as sole property
- 1983: Acquired the franchise rights to bring Haagen Dazs ice cream into Singapore
- 1986: Completed the development of The Balmoral condominium in Singapore
- 1989: Acquired Le Meridien Singapore, now known as Concorde Hotel Singapore and Lake House, Cameron Highlands

- 1990: Completed refurbishment of its headquarters at HPL House, acquired Hard Rock Cafe franchise for various Asian countries* and Concorde Hotel Kuala Lumpur* and opened Hard Rock Cafe* in Singapore
- 1993: Acquired a resort in Vanuatu currently known as Holiday Inn Resort Vanuatu and Palms Casino
- 1994: Completed Four Seasons Park condominium, opened Four Seasons Hotel in Singapore and acquired Four Seasons Resort Bali at Jimbaran Bay
- 1996: Opened Concorde Hotel Shah Alam, Malaysia*
- 1997: Completed Nassim Jade condominium in Singapore, acquired Forum The Shopping Mall in Singapore and opened Four Seasons Resort Maldives at Kuda Huraa
- 1998: Completed Scotts 28 in Singapore, opened Four Seasons Resort Bali at Sayan and Hard Rock Hotel Bali
- 2001: Opened Casa Del Mar, Langkawi*, Hard Rock Hotel, Pattaya and Rihiveli Resort, Maldives
- 2002: Completed Cuscaden Residences in Singapore and acquired a hotel in New York currently known as Concorde Hotel New York
- 2003: Opened Metropolitan Hotel Bangkok
- 2004: Opened Uma Paro Hotel, Bhutan*
- 2005: Acquired a 33% equity interest in a joint venture company which owns the iconic Derry and Toms Building, a mixed-use development at 99-121 Kensington High Street, an office building at Derry Street and a residential building at Kensington Square in London
- 2006: Completed Robertson Blue condominium in Singapore and opened Four Seasons Resort Maldives at Landaa Giraavaru
- 2008: Opened Kandooma Maldives which was later rebranded Holiday Inn Kandooma
- 2009: Commenced business for Four Seasons Resort Seychelles* and Hard Rock Hotel Penang* and completed The Met condominium in Bangkok and started marketing The Interlace*
- 2010: Started marketing Tomlinson Heights and d'Leedon* condominiums and acquired Mandarin Oriental Prague* and acquired land in Phuket Thailand* for hotel development
- 2012: Acquired 21% effective interest in a resort currently known as Bilila Lodge, situated in the Serengeti National Park of Tanzania; acquired 35% effective interest in the Westcliff Hotel in Johannesburg, South Africa, which was subsequently reflagged as Four Seasons Hotel, the Westcliff in December 2014; acquired Gili Lankanfushi, Maldives*; and acquired property at Old Burlington Street, London*
- 2013: Acquired prime development site located on Campden Hill, London* and completed The Interlace condominium development* in Singapore
- 2014: Acquired Six Senses Laamu Maldives and property located on London Street, Paddington, London* and completed Tomlinson Heights and d'Leedon* condominiums developments in Singapore
- 2016: Acquired Ludgate House and Sampson House in the London Borough of Southwark*, also acquired the Group's first resort in Vietnam, The Nam Hai* and the Boathouse, a 38 keys boutique resort at Kata Beach, Phuket, Thailand

* Acquired interest through joint ventures or associates of the Group.

Structure of the Group

The shareholding structure of the Issuer as at 28 February 2017 as well as the core business of the Group is set out below.



* includes shares of the Issuer held by Mr Ong Beng Seng's spouse

Principal Business Activities

The principal business activities of the Group are those of hotel ownership, management and operation, property development and investment holding.

A description of the main business activities undertaken by the Group is set out below.

Hotel Division

The Group owns hotels, resorts and shopping galleries in 12 countries, namely, Singapore, Malaysia, Thailand, Indonesia, Maldives, Seychelles, Vanuatu, the United States of America, Bhutan, Tanzania, South Africa and Vietnam. It has interests in 29 hotels under prestigious hospitality brands such as Four Seasons, Hilton International, Como Hotels, InterContinental Hotels Group and Six Senses Hotels. In addition, the Group also manages its own portfolio of hotels under well-established brands such as Hard Rock Hotels and Concorde Hotels & Resorts.

Singapore

In Singapore, the Group's hotels are strategically located in the Orchard Road shopping belt. The Four Seasons Hotel together with the Hilton Singapore are located near the prime Orchard and Scotts Road area. Further down Orchard Road, the Concorde Hotel Singapore is located close to the Dhoby Ghaut Civic precinct. The Group's Singapore hotels often achieve robust performances contributed in part by iconic events such as the Singapore Formula 1 Grand Prix and other major conferences and meetings.

Overseas

The Group's properties in Maldives have steadily contributed to the Group's earnings. The Four Seasons Resort Maldives at Kuda Huraa and Gili Lankanfushi in the North Male Atoll, the Four Seasons Resort Maldives at Landaa Giraavaru in Baa Atoll, Six Senses Laamu in Laamu Atoll and the Holiday Inn Kandooma in the South Male Atoll, have seen strong demand from travellers. The Four Seasons Resort Maldives at Kuda Huraa garnered the top award at the Conde Nast Traveller 14th Annual Readers' Travel Awards: The Best of the Best in the World's Top 100, after being named Best Overseas Leisure Hotel in the Middle East, Africa & Indian Ocean, and has been recognised on the list of 'Top 10 Hotels for Service - Maldives' by TripAdvisor Travellers' Choice 2015. The Four Seasons Resort Maldives at Landaa Giraavaru is located on the Baa Atoll, which is a UNESCO declared World Biosphere Reserve. The Group's resorts in the Maldives also ranked highly in the latest TripAdvisor's Travellers' Choice 2017, with the Gili Lankanfushi, Six Senses Laamu and Four Seasons Resort Maldives at Landaa Giraavaru ranked 3rd, 4th and 5th luxury hotels in Maldives respectively.

The Group's first resort in Thailand outside of Bangkok, Point Yamu by COMO in Phuket which opened in 2014, has garnered numerous prestigious awards such as 'Winner of Best Villa Development (South East Asia)' and 'Winner of Best Hotel Architectural Design' by South East Asia Property Awards 2014. Only a 25-minute drive from Phuket International Airport, Point Yamu by COMO is located at the tip of Cape Yamu and overlooks the pristine Andaman Sea and the dramatic limestones of Phang Nga Bay. Designed by world-renowned Italian designer Paola Navone, the luxury resort features 79 rooms and suites, 27 private luxury villas, a COMO Shambhala wellness retreat as well as two world-class Thai and Italian restaurants.

In December 2014, the Group opened its iconic Westcliff Hotel in Johannesburg as Four Seasons Hotel The Westcliff, after an extensive two year renovation. On the eastern side of Africa, situated in the UNESCO World Heritage Site of Serengeti National Park of Tanzania, is the Group's Four Seasons Safari Lodge Serengeti, which is a luxury lodge housing a total of 77 rooms, suites and villas.

In Indonesia, the two Four Seasons Resorts (Sayan and Jimbaran Bay) and Hard Rock Hotel in Bali continue to benefit from strong tourist arrivals from the region and afar. The Four Seasons Resort at Sayan was recognised as one of TripAdvisor's 'Top 25 Hotels' in Indonesia in 2017.

In 2016, the Group acquired its first resort in Vietnam, The Nam Hai, which was rebranded Four Seasons Resort The Nam Hai, Hoi An later in the same year, after refurbishment. This resort was awarded 2nd best luxury hotel in Vietnam by TripAdvisor's Travellers' Choice 2017. The most recent acquisition by the Group in December 2016 was The Boathouse at Kata Beach, Phuket, Thailand, a 38 keys boutique resort.

The Group continues to strive to recognise, anticipate and satisfy the ever-changing needs of its discerning guests, and the Group is confident that its hospitality sector will continue to contribute to the Group moving forward.

The hotels owned by the Group² as at 31 December 2016 are as follows:

Held by the Issuer

Location	Description
Singapore	
581 Orchard Road Singapore 238883	A 24-storey hotel building with 421 rooms/suites (known as Hilton Singapore)

Held by Subsidiaries

Location	Description
Singapore	
190 Orchard Boulevard Singapore 248646	A 20-storey hotel building with 255 rooms/suites (known as Four Seasons Hotel Singapore)
100 Orchard Road Singapore 238840	A 9-storey hotel building with 407 rooms/suites (known as Concorde Hotel Singapore)
Malaysia	
Ringlet, Cameron Highlands	A 3-storey holiday resort (known as The Lake House)
Thailand	
Pattaya Beach Road Cholburi	A 10-storey hotel building with 323 rooms (known as Hard Rock Hotel Pattaya)
South Sathorn Road Bangkok	2 inter-connected hotel buildings of 10 and 11 storeys with 169 rooms (known as The Metropolitan, Bangkok)
Phuket	A hotel with 38 rooms/suites (known as The Boathouse)
Indonesia	
Jimbaran, Bali	A resort hotel with 147 villas (known as Four Seasons Resort Bali at Jimbaran Bay)
Ubud, Bali	A resort hotel with 60 villas (known as Four Seasons Resort Bali at Sayan)
Kuta, Bali	A holiday resort with 418 rooms (known as Hard Rock Hotel Bali)
Jimbaran Village, Bali	A resort hotel with 9 villas (known as Four Seasons Private Estates at Jimbaran Bay)
Republic of Maldives	
North Male Atoll	A resort (known as Four Seasons Resort Maldives at Kuda Huraa) An 11-cabin catamaran (known as Four Seasons Explorer)
Baa Atoll	A resort (known as Four Seasons Resort Maldives at Landaa Giraavaru)
South Male Atoll	A resort (known as Holiday Inn Resort Kandooma)
Laamu Atoll	A resort (known as Six Senses Laamu)
Vanuatu	
Port Vila	A holiday resort (known as Holiday Inn Resort Vanuatu and Palms Casino)
United States	
127 East 55th Street New York City New York	A hotel building with 123 rooms (known as Concorde Hotel New York)

² Excludes properties held by joint ventures or associates

Property Division

The Group has rental and sales operations on residential and commercial properties.

Singapore

The Group has established a distinctive track record as a niche player in the quality and premium residential and commercial property market. Generally viewed as a trendsetter, the Group is known for building quality residential developments in prime locations. Its luxury residential developments include Robertson Blue, Cuscaden Residences, Scotts 28, Nassim Jade and Four Seasons Park.

Recently completed developments include Tomlinson Heights and d'Leedon condominiums in 2014. Tomlinson Heights is a 70-unit luxury condominium that sits on 76,888 square feet of freehold land in prime District 10 and is just minutes away from the city's shopping belt, Orchard Road.

d'Leedon condominium, a joint venture development with CapitaLand, is also a stone's throw from Orchard Road. Designed by Pritzker Architecture Prize winner Zaha Hadid, d'Leedon condominium consists of seven 36-storey towers and has sightlines of Singapore Botanic Gardens and the city skyline.

Another joint venture development with CapitaLand is The Interlace condominium, a 8-hectare development made up of 31 blocks consisting of 1,040 apartment units along Depot Road within proximity to attractions such as Sentosa and a short drive away from Orchard Road. The Interlace is a recipient of the National Parks Board's inaugural Landscape Excellence Assessment Framework certificate in recognition of its role in helping keep Singapore green in built-up environments. Other awards garnered by The Interlace include the Building of the Year Award at the 2015 World Architecture Festival and the Urban Habitat Award 2014.

Properties held by the Group for investment purposes include Forum The Shopping Mall – a 17-storey retail-cum-office development located at Orchard Road, and shop units at Concorde Shopping Mall.

Overseas

The Met condominium in Bangkok, Thailand has won awards from various prestigious organisations, including the Green Good Design 2011, the World's Leading Sustainable Design. It also bagged the Jorn Utzon Award for International Architecture at the 2010 Australian Institute of Architects National Architecture Awards and the World's 5 Best High-rise Building Award at the International High-rise Award in Frankfurt.

In London, the Group has two joint venture developments, Burlington Gate, a prime freehold development located in Mayfair, London and Holland Park Villas, in the borough of Kensington & Chelsea. Burlington Gate is in the later stages of construction with practical completion expected to take place by the end of 2017. All of the commercial art gallery space in the ground and lower ground floor has been fully pre sold to a well-established institutional investor. All the apartments are all pre sold with the exception of five premium and penthouse luxury apartments that have been held back from the market until completion. The Holland Park Villas residential project is progressing well, with completion of the final construction and fit out phase of the 72 apartments, with spa and leisure facilities, expected to take place by the end of 2017. More than half of the apartments are already pre-sold, with marketing activity now being directed towards completion of onsite show apartments.

In 2014, the Group acquired a joint venture interest in a freehold development opportunity located on London Street, Paddington. The 1.1 acre site sits next to Paddington railway station in close proximity to the Grand Union Canal. The proposed "Cube" scheme for the Paddington project, designed by Renzo Piano Building Workshop, was successfully given approval by the local planning authority in December 2016. The project is now going through the final confirmation stages of the planning process. The approved scheme will deliver an office building with retail and leisure spaces.

The Group together with a consortium of international investors, also recently acquired two properties (Ludgate House and Sampson House) located in Bankside area in the London Borough of Southwark. This is a 1.4 million square feet redevelopment project located on the South Bank adjacent to the Tate Modern Gallery. Ludgate House and Sampson House, will be demolished as the project progresses. The site has the benefit of a planning consent for private residential accommodation, offices, retail and leisure. Work is progressing with PLP Architecture in refining the scheme and agreeing amendments to the existing planning approvals. Limited demolition of Ludgate House, to successfully implement the planning consent, has been completed. Full demolition of Ludgate is expected to start later in 2017.

The residential properties held by the Group³ as at 31 December 2016 are as follows:

Description and Location	Tenure
12 condominium units at The Met, located at South Sathorn Road, Bangkok, Thailand	Freehold
20 condominium units at Tomlinson Heights, located at 31 Tomlinson Road, Singapore 247855	Freehold

The commercial properties of the Group³ as at 31 December 2016 are as follows:

Description and Location	Tenure
Office and shop units at 50 Cuscaden Road, HPL House, Singapore 249724	Freehold
7 shop units at 21 Cuscaden Road, Ming Arcade, Singapore 249720	Freehold
Office and shop units at 583 Orchard Road, Singapore 238884	Freehold
62 shop units at 100 Orchard Road, Concorde Shopping Mall Singapore 238840	Leasehold (99 years from 17 August 1979)

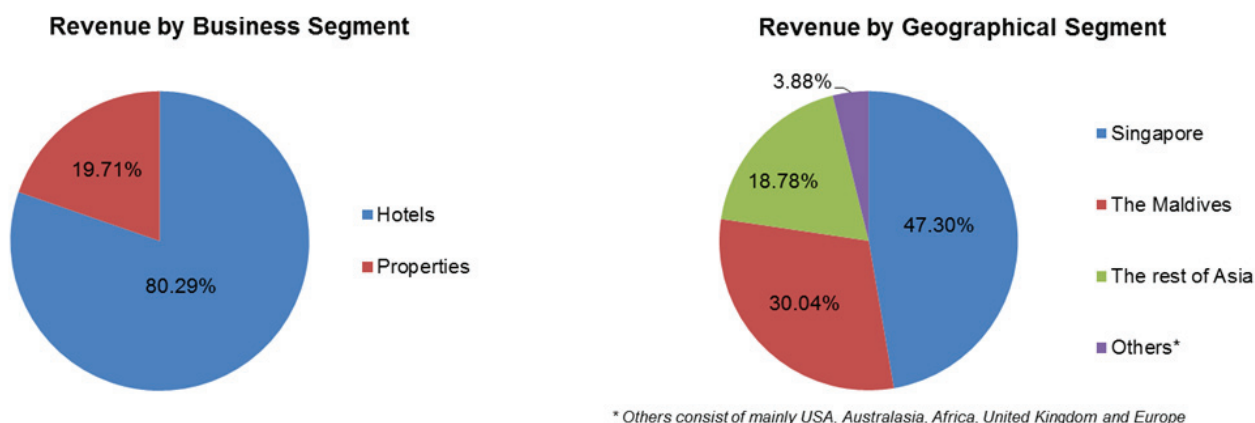
The other properties of the Group³ as at 31 December 2016 are as follows:

Description and Location	Tenure
Overseas	
1 plot of land located at Port Dickson, Negeri Sembilan, Malaysia	Freehold
1 plot of land at Rawai Sub-district, Phuket, Thailand	Freehold
An island located at Raa Atoll, Republic of Maldives	Leasehold (50 years from 16 January 2014)
An island located at Vaavu Atoll, Republic of Maldives	Leasehold (50 years from 20 August 2014)

³ Excludes properties held by joint venture or associates

Breakdown of Revenue

The Group's revenue breakdown for FY 2016 by business segment and geography are illustrated below.



Insurance

The Group maintains general insurance coverage for its businesses, including property damage, business interruption and public liability. Certain types of risks (for example, war risks) may be uninsurable or the cost of the insurance may be prohibitive or not economically viable when compared to the risks. The Group believes that its assets and properties are covered with adequate insurance provided by reputable insurance companies in the relevant jurisdictions and with commercially reasonable deductibles and limits on coverage.

Employees

The Group generally enjoys healthy relationships with its workforce and believes that its relationship with its employees is good. There are no anticipated and foreseen issues or conflicts or disruptions to its business operations.

Legal Proceedings

No member of the Group is a party to any litigation, arbitration or administration proceedings which the Issuer believes would, individually or taken as a whole, have a material adverse effect on the condition, prospects, results of operations or business of the Group. In addition, so far as the Issuer is aware, no litigation, arbitration or administrative proceedings, which the Issuer believes would, individually or taken as a whole, have a material adverse effect on the condition, prospects, results of operations or business of the Group, are pending or threatened.

BOARD OF DIRECTORS

The Board of Directors of the Issuer comprises:

Name	Age	Position
Arthur Tan Keng Hock	60	Non-Executive Chairman
Ong Beng Seng	71	Managing Director
Christopher Lim Tien Lock	61	Group Executive Director
Michael S. Dobbs-Higginson	75	Director
Leslie Mah Kim Loong	73	Director
David Fu Kuo Chen	55	Director
Stephen Lau Buong Lik	62	Director
William Fu Wei Cheng	69	Director
Stephen Ng Tin Hoi	64	Director

Mr Arthur Tan Keng Hock (Non-Executive Chairman)

On May 14, 2013, Mr Arthur Tan was appointed as Non-Executive Chairman of the Issuer. Mr Arthur Tan is the Managing Director of Advance Investment Management Capital Pte Ltd. Mr Tan, who has been an investment banker for over 15 years, has held senior management positions including Managing Director of Smith New Court (Thailand) Co. Ltd, Director of Merrill Lynch (Singapore) Pte Ltd, Director, Corporate Finance, of Schroders International Merchant Bank Limited, Executive Director of Guthrie GTS Limited and directorships in various listed companies. He graduated from the National University of Singapore with a bachelor's degree in Business Administration.

Mr Ong Beng Seng (Managing Director)

Mr Ong Beng Seng is the co-founder of the Company with more than 30 years of experience in the hotel and property development, hotel management, real estate and retail industries. He is responsible for all aspects of strategic planning and business development activities of the Group. He joined Motor & General Underwriters Investment Holdings Ltd in 1972. In 1977, Mr Ong joined his father-in-law, Mr Peter Y. S. Fu in Kuo International as an oil trader. The move thrust him into hotel and property development. Mr Ong is an associate member of the Chartered Insurance Institute of England.

Mr Christopher Lim Tien Lock (Group Executive Director)

Mr Lim Tien Lock, Christopher is the Group Executive Director of the Issuer. He is responsible for the overall management of the HPL Group. Prior to joining HPL in 1989, Mr Lim held the position of Director and Head of Corporate Finance of N M Rothschild and Sons (Singapore) Limited with 10 years of experience in the field of investment banking. He graduated from the National University of Singapore with a bachelor's degree in Business Administration. Mr Lim also sits on the board of Raffles Education Corporation Ltd as an Independent Director.

Mr Michael S. Dobbs-Higginson (Non-Executive and Independent Director)

Mr Dobbs-Higginson was formerly an entrepreneur in Tokyo, Japan and co-founded a group of companies involved in Real Estate, Wholesale Travel, Export, Consulting and Automotive Engineering. He returned to the UK and after joining White Weld Ltd, London, in its successor company; Credit Suisse First Boston, he became a member of its Executive Management Committee in London and was responsible for all its business activities in the Asia Pacific and African regions. Subsequently, he joined Merrill Lynch & Co. ("ML"), and became a member of both Merrill Lynch's Capital Markets Executive Committee and Compensation Committee in New York and was based in Hong Kong as Chairman of the Asia Pacific region, where he was responsible for all of ML's activities in the Asia Pacific region. He currently has business interests primarily in technology and a variety of strategic investments. Mr Dobbs-Higginson has also been advisor, inter alia, to the Sasakawa Peace Foundation, Japan, to the Banque Indosuez, France

and the Bangkok Bank Company Public Limited, Thailand. He is currently Non-Executive Chairman of the following privately held companies: Crescent Point, Cayman Islands, H3D Holdings, Singapore, Shado Int, Singapore, GoldKey Resources, USA and goAfrica Pte., Ltd. In addition, he has published two books titled “Asia Pacific and its Role in the New World Disorder” and “The Investment Manual for Fixed Income Securities in the International and major Domestic Capital Markets”. He attended the Trinity College, Ireland, the Kyoto University, Japan and the School of Oriental and African Studies, London University, London.

Mr Leslie Mah Kim Loong (Non-Executive and Independent Director)

Mr Leslie Mah is a Fellow of the Institute of Chartered Accountants of England and Wales. Mr Mah retired as an Executive Director of Eu Yan Sang International Limited on October 29, 2009. Prior to joining Eu Yan Sang, Mr Mah was Executive Director and Company Secretary of Cerebos Pacific Limited for 15 years. Prior to his tenure at Cerebos, he was Finance Director of Harper Gilfillan Limited for 10 years. He also sits on the board of Stamford Tyres Corporation Ltd as an Independent Director.

Mr David Fu Kuo Chen (Non-Executive and Non-Independent Director)

Mr David Fu is a director of Kuo Properties Pte Ltd. He graduated from the University of Southern California. He also sits on the board of NSL Ltd.

Mr Stephen Lau Buong Lik (Executive Director)

Mr Stephen Lau was appointed on May 13, 2008 as an Executive Director. He holds a B.A. Hons major in Accounting. He is a Member of the Institute of Chartered Accountants in England and Wales. He is currently Head of the Hotel Division. Previously, he headed positions in the Retail and Leisure divisions of the Issuer.

Mr William Fu Wei Cheng (Non-Executive and Non-Independent Director)

Mr William Fu graduated with a Bachelor of Accountancy Degree from the University of Singapore in 1969. After graduation, Mr Fu acquired his financial experience from working for several listed companies before he joined the Kuo Group of Companies in Hong Kong.

Mr Stephen Ng Tin Hoi (Non-Executive and Non-Independent Director)

Mr Stephen Ng Tin Hoi has been Deputy Chairman and Managing Director of The Wharf (Holdings) Limited (publicly listed in Hong Kong) since 1994 and became Chairman in May 2015. Among the Wharf Group’s principal subsidiaries, he is Chairman of Harbour Centre Development Limited (publicly listed in Hong Kong), i-CABLE Communications Limited (publicly listed in Hong Kong), Modern Terminals Limited and The “Star” Ferry Company Limited.

Mr Ng is also Deputy Chairman of Wheelock and Company Limited and Chairman of Joyce Boutique Holdings Limited, both publicly listed in Hong Kong. He is also Chairman of Wheelock Properties (Singapore) Limited, publicly listed in Singapore.

Mr Ng attended Ripon College in Ripon, Wisconsin, U.S.A and the University of Bonn, Germany, from 1971 to 1975, and graduated with a major in mathematics. He was formerly a Non-Executive Director of Greentown China Holdings Limited, a listed public company in Hong Kong. He is currently Chairman of the Hong Kong General Chamber of Commerce, a Council Member of the Employers’ Federation of Hong Kong and a council member of the Hong Kong Trade Development Council.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth the selected consolidated financial information of the Group as at and for the periods indicated below and should be read together with the financial statements (and where applicable, the notes thereto) as set out in Appendix II and Appendix III. The Group's historical results for any prior periods are not necessarily indicative of results to be expected for any future period.

The Group's financial statements are reported in Singapore dollars.

The Group's audited financial statements for FY 2015 and unaudited financial statements for FY 2016 contained in this Information Memorandum were prepared and presented in accordance with SFRS.

Consolidated Income Statement

	FY 2015 S\$'000	FY 2016 S\$'000
Revenue	579,541	577,616
Cost of sales	(417,809)	(436,135)
Gross profit	161,732	141,481
Other operating income	22,257	62,044
Administrative expenses	(67,524)	(68,768)
Other operating expenses	(1,842)	(1,237)
Finance costs	(34,907)	(30,317)
Share of results of associates and jointly controlled entities	36,225	34,650
Profit before income tax and fair value changes in investment properties	115,941	137,853
Fair value loss in investment properties	–	(2,350)
Profit before income tax	115,941	135,503
Income tax expense	(25,210)	(26,944)
Profit for the year	90,731	108,559
Non-controlling interests	(9,065)	(5,107)
Net profit attributable to shareholders	81,666	103,452

Consolidated Statement of Financial Position

	FY 2015 S\$'000	FY 2016 S\$'000
ASSETS		
Current assets		
Cash and bank balances	158,827	117,179
Held-for-trading investments	–	806
Trade and other receivables	57,152	111,387
Amount due from associates and jointly controlled entities	199,625	194,382
Inventories	9,131	9,422
Completed properties held for sale	207,936	144,984
Total current assets	632,671	578,160
Non-current assets		
Associates and jointly controlled entities	585,589	590,339
Available-for-sale investments	66,540	57,025
Property, plant and equipment	1,195,059	1,245,447
Investment properties	688,698	686,348
Derivative financial instruments	–	12,489
Deferred tax assets	3,723	4,236
Intangible assets	6,185	6,160
Total non-current assets	2,545,794	2,602,044
Total assets	3,178,465	3,180,204
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings	231,585	282,220
Trade and other payables	120,575	126,829
Income tax payable	11,337	17,511
Total current liabilities	363,497	426,560
Non-current liabilities		
Derivative financial instruments	4,530	–
Long-term borrowings	847,003	710,087
Deferred tax liabilities	14,151	15,221
Total non-current liabilities	865,684	725,308
Capital, reserves and non-controlling interests		
Share capital	717,895	719,693
Reserves	1,006,144	1,073,536
Equity attributable to owners of the Company	1,724,039	1,793,229
Perpetual capital securities	148,347	148,347
	1,872,386	1,941,576
Non-controlling interests	76,898	86,760
Total equity	1,949,284	2,028,336
Total liabilities and equity	3,178,465	3,180,204

Consolidated Statement of Cash Flows

	FY 2015 S\$'000	FY 2016 S\$'000
Cash flows from operating activities		
Profit before income tax and share of results of associates and jointly controlled entities	79,716	100,853
Adjustments for:		
Amortisation of intangible assets	330	332
Depreciation expense	51,434	54,133
Share-based payments expense	7,167	5,248
Write-back of impairment of available-for-sale investments	(29)	(147)
Fair value loss in investment properties	–	2,350
Gain on disposal of property, plant and equipment	(341)	(41,272)
Gain on disposal of associates	(10,956)	–
Finance costs	34,907	30,317
Interest income	(1,566)	(2,985)
Dividend income	(1,493)	(1,947)
Operating cash flows before movements in working capital	159,169	146,882
Trade and other payables	(13,000)	3,024
Completed properties held for sale	53,382	63,260
Receivables and prepayments	5,359	(52,853)
Held-for-trading investments	9,495	(806)
Inventories	1,374	124
Cash generated from operations	215,779	159,631
Dividend received	1,493	1,947
Income tax paid	(41,571)	(20,490)
Net cash from operating activities	175,701	141,088
Investing activities		
Acquisition of interest in a subsidiary	–	(24,071)
Additional property, plant and equipment	(60,894)	(79,987)
Additional available-for-sale investments	(59,165)	(6,305)
Additional intangible asset	(207)	–
Net repayment from (investment in) associates and jointly controlled entities	111,888	(14,287)
Proceeds from disposal of available-for-sale investment	–	7,999
Proceeds from disposal of associates	29,676	–
Proceeds from disposal of property, plant and equipment	1,366	58,755
Net cash from (used in) investing activities	22,664	(57,896)
Financing activities		
Interest received	1,566	2,985
Finance costs paid	(33,836)	(29,491)
Dividend paid	(51,963)	(41,599)
Distribution to perpetual capital securities holders	(9,188)	(9,212)
Non-controlling shareholders	(5,030)	1,961
Additional borrowings	255,080	215,463
Repayment of borrowings	(336,688)	(266,967)
Decrease in deposits under pledge to bank	5	–
Proceeds from issue of shares	800	–

	FY 2015 S\$'000	FY 2016 S\$'000
Net cash used in financing activities	(179,254)	(126,590)
Net increase (decrease) in cash and cash equivalents	19,111	(43,398)
Cash and cash equivalents at beginning of year	133,103	155,107
Effect of exchange rate changes on cash balances held in foreign currencies	2,893	1,662
Cash and cash equivalents at end of year	155,107	113,371

Review of Past Performance

FY 2015

For the year ended FY 2015, the Group recorded a Revenue of \$579.5 million compared to \$614.6 million last year. Contribution from the properties division was lower as the Tomlinson Heights condominium development was completed in March 2014. The Group also sold less units in The Met condominium in Bangkok during the year under review as compared to the prior year. Contribution from the Singapore hotels was affected by strong competition with reduced consumer spending and lower corporate travel. Ongoing refurbishment works at Four Seasons Resort Bali at Jimbaran Bay has affected its performance and the Holiday Inn at Vanuatu was also closed for repair since the cyclone in March 2015.

The Group's share of results of associates and jointly controlled entities increased from \$33 million to \$36.2 million mainly due to the gain on disposal of certain properties in Shanghai by an associate.

During the year, the Group received net repayment of \$111.9 million from associates, mainly from collections from purchasers of d'Leedon and The Interlace condominium developments in Singapore, resulting in a reduction in Group borrowings and higher bank balances.

Group profit before income tax and fair value changes in investment properties for the year ended FY 2015, was \$115.9 million compared to \$154.3 million last year. After adjusting for fair value changes, income tax and non-controlling interests, Group net profit attributable to shareholders for the year ended FY 2015 was \$81.7 million compared to \$124.4 million last year.

FY 2016

For the year ended FY 2016, the Group recorded a revenue of \$577.6 million, a slight decrease from the \$579.5 million recorded last year. This was due to lower contribution from the hotels and resorts, particularly those in the Maldives, which were affected by softer demand and on-going refurbishment works.

During the year under review, the Group recorded a gain on disposal of two plots of land in Bangkok, Thailand, increasing other operating income from \$22.3 million last year to \$62.0 million. The Group's share of results of associates and jointly controlled entities decreased from \$36.2 million to \$34.7 million mainly due to lower contributions from The Interlace and d'Leedon condominium developments in Singapore. Finance costs for the year decreased by 13% from \$34.9 million to \$30.3 million as a result of lower borrowings and interest rates.

Group profit before income tax and fair value changes in investment properties for the year ended FY 2016 was \$137.9 million compared to \$115.9 million last year. After adjusting for fair value changes, income tax and non-controlling interests, Group net profit attributable to shareholders for the year ended FY 2016 was \$103.5 million, an increase of 27% from \$81.7 million reported last year.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for the purpose of refinancing existing borrowings and/or financing the working capital requirements of the Group, and/or as otherwise specified in the applicable Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

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

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

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a global security or 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 SFA 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 payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and 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 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. Payments of principal, interest or distributions 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.

TAXATION

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 Issuer, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that 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% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is

derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

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

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium or 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 Oversea-Chinese Banking Corporation Limited, which is a Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Securities ("**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 qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Securities, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require), Qualifying Income from the Relevant Securities paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

- (aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and
- (bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require,

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

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and
- (B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Securities held by:-
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

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

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “**prepayment fee**”, “**redemption premium**” and “**break cost**” are defined in the ITA as follows:

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

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

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

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

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA.

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

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where-
 - (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and
 - (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

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

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

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

2. Gains from the Sale of the Securities

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

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard 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 and 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.

FATCA Withholding

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of these rules to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, is not clear at this time. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to 1 January 2019 and Securities that are not treated as equity for U.S. federal income tax purposes and are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional securities (as described in Condition 14 of the Notes or, as the case may be, Condition 12 of the Perpetual Securities) that are not distinguishable from these Securities are issued after the expiration of the grandfather period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities offered hereby, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

Securityholders should consult their own tax advisers regarding how these rules may apply to their investment in the Securities.

SUBSCRIPTION AND SALE

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the 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 Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

The Dealers or certain of their respective affiliates may purchase the Securities and be allocated the Securities for asset management and/or proprietary purposes but not with a view to distribution.

In connection with each tranche of Securities issued under the Programme, the Dealers or certain of their affiliates may purchase Securities and be allocated Securities for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Securities for their own account (without a view to distributing such Securities) and such orders and/or allocations of the Securities may be material. Such entities may hold or sell such Securities or purchase further Securities for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Securities or other securities otherwise than in connection with the offering. Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Arranger, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**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 represented and agreed that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Securities, 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 Issuing and 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 Issuing and 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 forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering 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 Tranche of Securities) may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Each purchaser of Securities outside the United States pursuant to Regulation S and each subsequent purchaser of such Securities in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Information Memorandum and the Securities, will be deemed to have represented, agreed and acknowledged that:

- (a) It is, or at the time Securities are purchased will be, the beneficial owner of such Securities and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (b) It understands that such Securities have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Securities except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (c) It understands that such Securities, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:

“THIS [NOTE/PERPETUAL SECURITY] HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”

- (d) It understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

It understands that the Securities offered in reliance on Regulation S will be represented by the Global Security. Prior to the expiration of the distribution compliance period, before any interest in the Global Security may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Global Security, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

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 (except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“**SFO**”)) other than (a) to “professional investors” as defined in the SFO or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong 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 SFO and any rules made thereunder.

Singapore

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the MAS and that the Securities will be offered pursuant to exemptions under the SFA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor under Section 274 of 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.

General

The selling restrictions herein contained may be modified, varied or amended from time to time by notification from the Issuer to the Dealers and each Dealer has undertaken that it will at all times comply with all such selling restrictions.

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any other document (or any part thereof) or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes, this Information Memorandum or any other document (or any part thereof) or any Pricing Supplement. No Dealer will directly or indirectly offer, sell or deliver Securities or any interest therein or rights in respect thereof or distribute or publish any prospectus, circular, advertisement or other offering material (including, without limitation, this Information Memorandum) in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Securities or any interest therein or rights in respect thereof by it will be made on the foregoing terms.

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. No Director is or was involved in any of the following events:
 - (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;
 - (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or
 - (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.
2. Save for Ong Beng Seng and David Fu Kuo Chen, who are brothers-in-law, Ong Beng Seng and William Fu Wei Cheng, who are cousins-in-law, and David Fu Kuo Chen and William Fu Wei Cheng, who are cousins, the Directors are not related by blood or marriage to one another.
3. Save for the Hotel Properties Limited Share Option Scheme 2000, the Hotel Properties Employee Share Option Scheme 2010 and the Hotel Properties Limited Performance Share Plan, no option to subscribe for shares or grant of right to receive shares in, or debentures of, the Issuer and its subsidiaries has been granted to, or was exercised by, any Director during the financial year ended 31 December 2016.
4. The interests of the Directors of the Issuer in the Shares as at 28 February 2017 are as follows:

Directors	Direct/Beneficial Interest		Indirect/Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Arthur Tan Keng Hock	–	–	–	–	–	–
Ong Beng Seng	100,434,455	19.30	316,825,514	60.88	417,259,969	80.18
Christopher Lim Tien Lock	814,900	0.16	–	–	814,900	0.16
Michael S. Dobbs-Higginson	–	–	–	–	–	–
Leslie Mah Kim Loong	–	–	–	–	–	–
David Fu Kuo Chen	24,326,307	4.67	–	–	24,326,307	4.67
Stephen Lau Buong Lik	540,800	0.10	–	–	540,800	0.10
William Fu Wei Cheng	–	–	–	–	–	–
Stephen Ng Tin Hoi	–	–	–	–	–	–

The interests of the Directors of the Issuer in the Hotel Properties Limited Share Option Scheme 2000, the Hotel Properties Employee Share Option Scheme 2010 and the Hotel Properties Limited Performance Share Plan as at 28 February 2017, were as follows:

Director	Number of Share Options	Number of Performance Shares Awarded
Christopher Lim Tien Lock	3,250,000	564,900
Stephen Lau Buong Lik	2,920,000	490,800

The interests of the substantial shareholders of the Issuer in the Shares as at 28 February 2017, were as follows:

Substantial Shareholders	Direct/Beneficial Interest		Indirect/Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
68 Holdings Pte Ltd	293,368,206	56.37	–	–	293,368,206	56.37
Ong Beng Seng	100,434,455	19.30	316,825,514	60.88	417,259,969	80.18
Cuscaden Partners Pte. Ltd.	–	–	293,368,206	56.37	293,368,206	56.37
Nassim Developments Pte Ltd	–	–	293,368,206	56.37	293,368,206	56.37
WPS Capital Pte. Ltd.	–	–	293,368,206	56.37	293,368,206	56.37
Wheelock Properties (Singapore) Limited	–	–	293,368,206	56.37	293,368,206	56.37
Star Attraction Limited	–	–	293,368,206	56.37	293,368,206	56.37
Wheelock Investments Limited	–	–	293,368,206	56.37	293,368,206	56.37
Wheelock and Company Limited	–	–	293,368,206	56.37	293,368,206	56.37

Notes:

- (1) Mr Ong Beng Seng is deemed to have an interest in the shares of 68 Holdings Pte Ltd and the shares held by his spouse.
- (2) Cuscaden Partners Pte Ltd is deemed to have an interest in the shares of 68 Holdings Pte Ltd.
- (3) Nassim Developments Pte Ltd, WPS Capital Pte. Ltd., Wheelock Properties (Singapore) Limited, Star Attraction Limited, Wheelock Investments Limited, Wheelock and Company Limited are deemed to have an interest in the 293,368,206 shares held by 68 Holdings Pte Ltd.

SHARE CAPITAL

5. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.
6. The issued share capital of the Issuer as at 28 February 2017 is as follows:

Share Designation	Issued Share Capital	
	(No.)	(\$)
Ordinary Shares	520,434,551	713,480,771.65

7. Save for shares issued pursuant to the Hotel Properties Limited Share Option Scheme 2000, Hotel Properties Employee Share Option Scheme 2010 and the Hotel Properties Limited Performance Share Plan, no shares in the Issuer have been issued or are proposed to be issued, as fully or partly paid-up, for cash or for a consideration other than cash, within the two years preceding the date of this Information Memorandum.

8. Save as disclosed below, as at 28 February 2017, no shares in the Issuer are under option or agreed conditionally or unconditionally to be put under option and no person has been, or is entitled to be given the option to subscribe for any shares or grant of right to receive shares in the Issuer.

← Number of Share Options →					
Date of Grant	Balance at 1 January 2016 or Date of Grant	Exercised	Balance at 28 February 2017	Exercise Price	Exercise Period
Pursuant to Hotel Properties Limited Share Option Scheme 2000					
10/10/2007	1,220,000	–	1,220,000	S\$4.00	10/10/2009 – 09/10/2017
Total	1,220,000	–	1,220,000		
Pursuant to Hotel Properties Employee Share Option Scheme 2010					
03/07/2014	3,400,000	–	3,400,000	S\$3.21	03/07/2016 – 02/07/2024
06/01/2015	3,500,000	–	3,500,000	S\$3.24	06/01/2017 – 05/01/2025
28/08/2015	2,525,000	–	2,525,000	S\$2.90	28/08/2017 – 07/08/2025
11/03/2016	2,400,000	–	2,400,000	S\$2.82	11/03/2018 – 10/03/2026
Total	11,825,000	–	11,825,000		

← Awards under the Performance Share Plan →				
Year of award	Balance as at 1 January 2016	Granted	Released	Balance as at 28 February 2017
2015	1,759,500	–	703,800	1,055,700
2016	–	100,000	100,000	–
Total	1,759,500	100,000	803,800	1,055,700

BORROWINGS

9. Save as disclosed in Appendix II, the Group has as at 31 December 2015 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

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

CHANGES IN ACCOUNTING POLICIES

11. There has been no significant changes in the accounting policies of the Issuer since its audited financial accounts for the year ended 31 December 2015 except for those pursuant to changes in the relevant accounting standards effective from 1 January 2016.
12. There are no legal or arbitration proceedings currently pending or, so far as the Directors are aware, currently threatened against the Issuer or any of its subsidiaries the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Group.

GENERAL

13. Save as disclosed in this Information Memorandum, the financial condition and operations of the Group are not likely to be affected by:
- (a) to the best knowledge of the Issuer, any known trends, demands, commitments, events or uncertainties that will result in or are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way;
 - (b) any material commitments for capital expenditures;
 - (c) to the best knowledge of the Issuer, any known trends or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on revenues or operating income; and
 - (d) any material information which may be relevant to the financial or trading prospects of the Issuer or the Group including special trading factors or risks, which the Issuer is aware of but are not mentioned elsewhere in this Information Memorandum or in any public announcement by the Issuer and which are unlikely to be known or anticipated by the general public and which would reasonably be expected to materially and adversely affect the profits of the Issuer or the Group.

AUDITORS' CONSENT

14. Deloitte & Touche 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.

STATEMENT BY DIRECTORS

15. This Information Memorandum has been approved by the Directors and they confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, this Information Memorandum contains all information which is material in the context of the issue and offering of the Securities, that the information contained herein is true and accurate in all material respects and that there are no other facts the omission of which would make any statement herein misleading in any material respect.

DOCUMENTS AVAILABLE FOR INSPECTION

16. Copies of the following documents may be inspected at the registered office of the Issuer at 50 Cuscaden Road, #08-01, HPL House, Singapore 249724 during normal business hours for a period of six months from the date of this Information Memorandum:
- (a) the Constitution of the Issuer;
 - (b) the Trust Deed;
 - (c) the letter of consent referred to in paragraph 14 above;
 - (d) the consolidated audited accounts of the Issuer and its subsidiaries for the financial year ended 31 December 2015; and
 - (e) the Full Year Financial Statements and Dividend Announcement of the Issuer for the financial year ended 31 December 2016.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

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

**AUDITED FINANCIAL STATEMENTS OF THE ISSUER AND ITS SUBSIDIARIES FOR
THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

The information in this Appendix II has been reproduced from the annual report of the Group for the financial year ended 31 December 2015 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HOTEL PROPERTIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Hotel Properties Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2015, and the consolidated income statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 24 to 84.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2015, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

March 28, 2016

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
ASSETS					
Current assets:					
Cash and bank balances	6	158,827	136,602	84,453	37,515
Held-for-trading investments	7	-	9,495	-	-
Trade and other receivables	8	57,152	61,217	2,542	3,170
Amount due from associates and jointly controlled entities	11	199,625	37,307	5,751	6,231
Amount due from subsidiaries	14	-	-	889,486	828,453
Inventories	9	9,131	10,058	239	249
Completed properties held for sale	10	207,936	261,591	-	-
Total current assets		632,671	516,270	982,471	875,618
Non-current assets:					
Associates and jointly controlled entities	11	585,589	842,386	-	-
Subsidiaries	14	-	-	454,781	625,873
Available-for-sale investments	15	66,540	8,096	-	-
Property, plant and equipment	16	1,195,059	1,165,168	229,620	229,133
Investment properties	17	688,698	688,698	-	-
Deferred tax assets	22	3,723	4,298	-	-
Intangible assets	18	6,185	6,329	-	-
Total non-current assets		2,545,794	2,714,975	684,401	855,006
Total assets		3,178,465	3,231,245	1,666,872	1,730,624
LIABILITIES AND EQUITY					
Current liabilities:					
Short-term borrowings	19	231,585	261,464	99,983	89,958
Trade and other payables	20	120,575	130,560	19,178	29,974
Amount due to subsidiaries	14	-	-	44,467	44,456
Income tax payable		11,337	28,089	68	6
Total current liabilities		363,497	420,113	163,696	164,394
Non-current liabilities:					
Advances from subsidiaries	14	-	-	22,094	20,454
Derivative financial instruments	21	4,530	-	4,530	-
Long-term borrowings	19	847,003	875,685	430,265	496,863
Deferred tax liabilities	22	14,151	13,947	1,016	1,054
Total non-current liabilities		865,684	889,632	457,905	518,371
Share capital and reserves:					
Share capital	23	717,895	715,415	717,895	715,415
Reserves		1,006,144	986,674	179,029	184,097
Equity attributable to owners of the Company		1,724,039	1,702,089	896,924	899,512
Perpetual capital securities	25	148,347	148,347	148,347	148,347
		1,872,386	1,850,436	1,045,271	1,047,859
Non-controlling interests		76,898	71,064	-	-
Total equity		1,949,284	1,921,500	1,045,271	1,047,859
Total liabilities and equity		3,178,465	3,231,245	1,666,872	1,730,624

See accompanying notes to financial statements.

CONSOLIDATED INCOME STATEMENT

YEAR ENDED DECEMBER 31, 2015

		Group	
	Note	2015 \$'000	2014 \$'000
Revenue	26	579,541	614,644
Cost of sales		(417,809)	(417,099)
Gross profit		161,732	197,545
Other operating income	27	22,257	26,723
Administrative expenses		(67,524)	(69,846)
Other operating expenses	27	(1,842)	(1,106)
Finance costs		(34,907)	(32,001)
Share of results of associates and jointly controlled entities		36,225	32,990
Profit before income tax and fair value changes in investment properties		115,941	154,305
Fair value gain on investment properties	17	-	5,686
Profit before income tax	27	115,941	159,991
Income tax expense	28	(25,210)	(25,180)
Profit for the year		90,731	134,811
Attributable to:			
Owners of the Company		81,666	124,395
Non-controlling interests		9,065	10,416
		90,731	134,811
Earnings per share (Cents):	29		
- basic		13.95	22.34
- diluted		13.91	22.29

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2015

	Group	
	2015 \$'000	2014 \$'000
Profit for the year	90,731	134,811
Other comprehensive income (net of tax):		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of defined benefit obligation	(146)	(229)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	5,381	18,719
(Decrease) Increase in other reserves	(2,250)	44
Share of other comprehensive income of associates and jointly controlled entities	(9,574)	(1,385)
	(6,443)	17,378
Other comprehensive (loss) income for the year, net of tax	(6,589)	17,149
Total comprehensive income for the year	84,142	151,960
Attributable to:		
Owners of the Company	75,134	141,221
Non-controlling interests	9,008	10,739
	84,142	151,960

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2015

Group	Share capital \$'000	Retained profits \$'000	Other reserves \$'000	Attributable to owners of the Company \$'000	Perpetual capital securities \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
			(Note 24)					
Balance as at January 1, 2014	687,832	813,572	88,507	1,589,911	148,347	1,738,258	63,993	1,802,251
Total comprehensive income for the year								
Profit for the year	-	124,395	-	124,395	-	124,395	10,416	134,811
Other comprehensive (income) loss for the year	-	(228)	17,054	16,826	-	16,826	323	17,149
Total	-	124,167	17,054	141,221	-	141,221	10,739	151,960
Transaction with owner, recognised directly in equity								
Recognition of share-based payments	-	-	2,783	2,783	-	2,783	-	2,783
Dividends (Note 30)	-	(41,386)	-	(41,386)	-	(41,386)	-	(41,386)
Net movement during the year	-	-	-	-	-	-	(3,668)	(3,668)
Issue of shares	27,583	-	(8,835)	18,748	-	18,748	-	18,748
Total	27,583	(41,386)	(6,052)	(19,855)	-	(19,855)	(3,668)	(23,523)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at December 31, 2014	715,415	887,165	99,509	1,702,089	148,347	1,850,436	71,064	1,921,500
Total comprehensive income for the year								
Profit for the year	-	81,666	-	81,666	-	81,666	9,065	90,731
Other comprehensive loss for the year	-	(138)	(6,394)	(6,532)	-	(6,532)	(57)	(6,589)
Total	-	81,528	(6,394)	75,134	-	75,134	9,008	84,142
Transaction with owner, recognised directly in equity								
Recognition of share-based payments	-	-	7,167	7,167	-	7,167	-	7,167
Dividends (Note 30)	-	(51,963)	-	(51,963)	-	(51,963)	-	(51,963)
Net movement during the year	-	-	-	-	-	-	(3,174)	(3,174)
Issue of shares	2,480	-	(1,680)	800	-	800	-	800
Total	2,480	(51,963)	5,487	(43,996)	-	(43,996)	(3,174)	(47,170)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at December 31, 2015	717,895	907,542	98,602	1,724,039	148,347	1,872,386	76,898	1,949,284

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2015

Company	Share capital \$'000	Retained profits \$'000	Other reserves \$'000	Attributable to owners of the Company \$'000	Perpetual capital securities \$'000	Total equity \$'000
			(Note 24)			
Balance as at January 1, 2014	687,832	54,396	119,134	861,362	148,347	1,009,709
Total comprehensive income for the year						
Profit for the year	-	67,193	-	67,193	-	67,193
Total	-	67,193	-	67,193	-	67,193
Transaction with owners, recognised directly in equity						
Recognition of share-based payments	-	-	2,783	2,783	-	2,783
Dividends (Note 30)	-	(41,386)	-	(41,386)	-	(41,386)
Issue of shares	27,583	-	(8,835)	18,748	-	18,748
Total	27,583	(41,386)	(6,052)	(19,855)	-	(19,855)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at						
December 31, 2014	715,415	71,015	113,082	899,512	148,347	1,047,859
Total comprehensive income for the year						
Profit for the year	-	52,096	-	52,096	-	52,096
Other comprehensive loss for the year	-	-	(1,500)	(1,500)	-	(1,500)
Total	-	52,096	(1,500)	50,596	-	50,596
Transaction with owners, recognised directly in equity						
Recognition of share-based payments	-	-	7,167	7,167	-	7,167
Dividends (Note 30)	-	(51,963)	-	(51,963)	-	(51,963)
Issue of shares	2,480	-	(1,680)	800	-	800
Total	2,480	(51,963)	5,487	(43,996)	-	(43,996)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at						
December 31, 2015	717,895	61,960	117,069	896,924	148,347	1,045,271

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2015

	Group	
	2015 \$'000	2014 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	79,716	127,001
Adjustments for:		
Amortisation of intangible assets	330	317
Depreciation expense	51,434	48,918
Share-based payment expense	7,167	2,783
Write-back of impairment of available-for-sale investments	(29)	(500)
Write-back of impairment of advances to a jointly controlled entity	-	(9,057)
Fair value gain in investment properties	-	(5,686)
Gain on disposal of a subsidiary	-	(1,642)
Gain on disposal of property, plant and equipment	(341)	(121)
Gain on disposal of associates	(10,956)	(13,246)
Finance costs	34,907	32,001
Interest income	(1,566)	(880)
Dividend income	(1,493)	(118)
Operating cash flows before movements in working capital	159,169	179,770
Trade and other payables	(13,000)	11,947
Completed properties held for sale	53,382	29,179
Development properties and expenditure	-	(65,457)
Receivables and prepayments	5,359	154,291
Held-for-trading investments	9,495	(6,355)
Inventories	1,374	(1,084)
Cash generated from operations	215,779	302,291
Dividend received	1,493	118
Income tax paid	(41,571)	(20,818)
Net cash from operating activities	175,701	281,591
Cash flows from (used in) investing activities:		
Acquisition of additional interest in a jointly controlled entity	-	(2,438)
Additional property, plant and equipment	(60,894)	(148,810)
Additional available-for-sale investment	(59,165)	-
Additional intangible asset	(207)	-
Net repayment from (investment in) associates and jointly controlled entities	111,888	(128,375)
Proceeds from disposal of a subsidiary	-	1,817
Proceeds from disposal of associates	29,676	15,000
Proceeds from disposal of property, plant and equipment	1,366	952
Cash from (used in) investing activities	22,664	(261,854)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2015

	Group	
	2015 \$'000	2014 \$'000
Cash flows (used in) from financing activities:		
Interest received	1,566	880
Finance costs paid	(33,836)	(33,023)
Dividend paid	(51,963)	(41,386)
Distribution to perpetual capital securities holders	(9,188)	(9,188)
Non-controlling shareholders	(5,030)	(8,632)
Additional borrowings	255,080	236,938
Repayment of borrowings	(336,688)	(163,207)
Decrease in deposits under pledge to bank	5	4
Proceeds from issue of shares	800	18,748
Cash (used in) from financing activities	(179,254)	1,134
Net increase in cash and cash equivalents	19,111	20,871
Cash and cash equivalents at beginning of year	133,103	111,978
Effect of exchange rate changes on cash balances held in foreign currencies	2,893	254
Cash and cash equivalents at end of year	155,107	133,103

The cash and cash equivalents as at December 31, 2015, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits pledged to banks (Note 6).

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

1. GENERAL

The Company (Registration No. 198000348Z) is incorporated in the Republic of Singapore with its principal place of business and registered office at 50 Cuscaden Road, #08-01 HPL House, Singapore 249724. The principal place of business for the hotel operations of Hilton Singapore is at 581 Orchard Road, Singapore 238883.

During the financial year ended December 31, 2014, pursuant to the mandatory conditional cash offer made by Standard Chartered Bank for and on behalf of 68 Holdings Pte. Ltd. for all the ordinary shares in the capital of the Company not already owned, controlled or agreed to be acquired by 68 Holdings Pte. Ltd., 68 Holdings Pte. Ltd. and Cuscaden Partners Pte. Ltd., both incorporated in the Republic of Singapore, became the Company's immediate and ultimate holding companies respectively. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the Company are those of a hotelier and an investment holding company. The principal activities of subsidiaries, significant associates and jointly controlled entities are described in Notes 34, 35 and 36 respectively to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2015 were authorised for issue by the Board of Directors on March 28, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payments*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies.

At the date of authorisation of these financial statements, the following FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- Improvements to Financial Reporting Standards (November 2014)¹
- FRS 109 *Financial Instruments*²
- FRS 115 *Revenue from contracts with customers*²

¹Applies to annual period beginning on or after July 1, 2016, with early application permitted.

²Applies to annual period beginning on or after January 1, 2018, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

Improvements to Financial Reporting Standards (November 2014)

The Improvements to Financial Reporting Standards (November 2014) include a number of improvements, amendments and clarifications to various FRSs, including FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*, FRS 107 *Financial Instruments: Disclosures*, FRS 19 *Employee Benefits* and FRS 34 *Interim Financial Reporting*.

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

FRS 115 Revenue from contracts with customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Entities can choose to apply the standard retrospectively or to use a modified approach, which is to apply the standard retrospectively only to contracts that are not completed contracts at the date of initial application.

The Group is currently evaluating the impact of the adoption of the above FRSs, INT FRSs and amendments to FRSs in the period of initial adoption.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies used in line with those used by other members of the Group.

All significant intra-group transactions and balances are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39, or when appropriate, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's financial statements, investments in subsidiaries, associates and jointly controlled entities are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATION – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of each acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed by the Group, and any equity interests issued by the Group, in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year from acquisition date.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

For the acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in FRS 38 *Intangible Assets*) and liabilities assumed. The cost of acquisition is allocated to the individual assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Investments are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, and in the case of available-for-sale investments, directly attributable transaction costs are also included.

Investments are classified as either investments held-for-trading or as available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised in other comprehensive income, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss. Impairment losses recognised in profit or loss for available-for-sale equity instruments are not subsequently reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated in other capital reserves. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Trade and other receivables and amount due from subsidiaries, associates and jointly controlled entities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents comprise cash on hand, demand deposits (net of deposits pledged), bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Trade and other payables and amount due to subsidiaries are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. The Group maintains natural hedges, whenever possible, by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contracted date, and are remeasured to fair value at subsequent reporting dates. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and the ineffective portion is recognised directly in profit or loss. Changes in fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and hedged item. On an ongoing basis, the Group reviews the hedging relationship for effectiveness.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Hedging derivatives is classified as a non-current asset or a non-current liability if the remaining maturity of the hedge relationship is more than 12 months and as a current asset or a current liability if the remaining maturity of the hedge relationship is less than 12 months.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, the net cumulative gain or loss on the hedging instrument previously recognised in other comprehensive income is reclassified to profit or loss for the period.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the moving average/first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

DEVELOPMENT PROPERTIES - Development properties for sale are stated at cost plus, where appropriate, a portion of the attributable profit, net of progress billings. The cost of property under development includes land cost, acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised as part of the cost of the development property until the completion of development.

Revenue and costs are recognised based on the percentage of completion method when the transfer of significant risks and rewards of ownership occurs on a continuous transfer basis as construction progresses. Under the percentage of completion method, profits are recognised by reference to the stage of completion of the development activity at the end of the reporting period based on survey of work completed at the end of each reporting period performed by independent qualified surveyors. Profits are recognised only in respect of properties with finalised sales agreements. When losses are expected, full provision is made in the financial statements after adequate consideration has been made for estimated costs to completion. Developments are considered complete upon the issue of temporary occupation permits.

Revenue and costs are recognised based on the completion of construction method when the transfer of significant risks and rewards of ownership coincides with the time when the property is completed or when the development units are delivered to the purchasers.

COMPLETED PROPERTIES HELD FOR SALE - Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is calculated using the specific identification method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in the marketing and selling.

ASSOCIATES AND JOINTLY CONTROLLED ENTITIES - An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The results and assets and liabilities of associates and jointly controlled entities (collectively referred to as “equity accounted investees”) are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105. Under the equity method, investments in equity accounted investees are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the investees. Losses of an investee in excess of the Group’s interest in that investee (which includes any long-term interests that, in substance, form part of the Group’s net investment in the investee) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

An investment in an equity accounted investee is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition, any excess of the cost of investment over the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the equity accounted investees recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss.

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group’s investment in an equity accounted investee. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an equity accounted investee, or when the investment is classified as held for sale. When the Group retains an interest in the former investee and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the equity accounted investee at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the equity accounted investee is included in the determination of the gain or loss on disposal of the investee. In addition, the Group reclassifies to profit or loss all amounts previously recognised in other comprehensive income in relation to that investee on the same basis as would have been required if that investee had directly disposed of the related assets or liabilities.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an equity accounted investee but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where a Group entity transacts with an equity accounted investee of the Group, profits and losses are eliminated to the extent of the Group’s interest in the relevant equity accounted investees.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The gain or loss arising on the disposal of an equity accounted investee of the Group is determined as the difference between the sales proceeds and its net carrying amount and is recognised in profit or loss. Amounts previously recognised in other comprehensive income in relation to the equity accounted investee are reclassified from equity to profit or loss (as a reclassification adjustment) upon disposal.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost or valuation, less accumulated depreciation and any accumulated impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Any revaluation increase arising on the revaluation of freehold land and long-term leasehold land is recognised in other comprehensive income and accumulated in asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising on the revaluation of freehold land and long-term leasehold land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Operating equipment is written off based on periodic physical inventory counts. Depreciation is charged so as to write off the cost of assets, other than freehold and long-term leasehold land and construction-in-progress, over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and property	- 19 to 89 years
Buildings and improvements	- 5 to 50 years
Plant and equipment, furniture, fixtures and fittings	- 3 to 20 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is not provided on freehold and long-term leasehold land and construction-in-progress. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss. On the sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained profits.

INVESTMENT PROPERTIES - Investment properties are held on a long-term basis for investment potential and income. Investment properties are measured initially at their cost, including transaction cost. Subsequent to initial recognition, investment properties are stated at their fair values based on valuation performed by professional valuers on an open market value basis. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss for the period in which they arise.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INTANGIBLE ASSETS - These comprise goodwill and franchise rights. Franchise rights are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful lives of 20 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset (cash-generating unit) is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair values at the inception of the lease, or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's accounting policy for borrowing costs.

Rental payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received or receivable as an incentive to enter into an operating lease are also spread over on a straight-line basis over the lease term.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligations. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation, and is discounted to present value where the effect is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SHARE-BASED PAYMENTS - The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

- a) Sales other than revenue from development properties are recognised when all the following conditions are satisfied:
 - the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Group; and
 - the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- b) Revenue from development properties is recognised in accordance with the Group's accounting policy on development properties (see above);
- c) Hotel room revenue is recognised based on room occupancy while other hotel revenue are recognised when the goods are delivered or the services are rendered to the customers;

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- d) Rental income is recognised on a straight-line basis over the term of the relevant lease;
- e) Management fee income is recognised when services are rendered;
- f) Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable; and
- g) Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined by actuarial valuations carried out at the end of each reporting period. Remeasurement, comprising actuarial gains or losses, is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in the profit or loss in the period of a plan amendment.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and respective subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates (and tax laws) that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except where they arise from the initial accounting for a business combination, in which case the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each entity within the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in the Group's exchange fluctuation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in exchange fluctuation reserve (attributed to non-controlling interest, as appropriate). Such reserves are reclassified from equity to profit or loss (as a reclassification adjustment) on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with FRSs requires the exercise of judgement, the use of estimates and assumptions concerning the future by management.

The Group on its own or in reliance on third party experts, applies estimates, judgements and assumptions in various areas including the following:

- i) Level of impairment of tangible and intangible assets.
Determining whether an asset is impaired requires an estimation of the recoverable amount of this asset. The recoverable amount of the asset is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal is largely based on the fair value of the asset determined by independent professional valuer. The value in use calculation requires the Group to estimate the future cash flows expected from the investment and an appropriate discount rate in order to calculate the present value of the future cash flows.
- ii) Determination of fair value of unquoted available-for-sale investments, investment properties and financial derivatives.
- iii) Assessment of adequacy of provision for income taxes.
The Group is subject to income taxes in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. The Group recognises the expected liabilities for tax based on an estimation of the likely taxes due, which requires judgement as to the ultimate tax determination of certain items, where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the period when such determination is made.

These estimates, judgements and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The carrying amounts of the above are disclosed in the respective notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets				
Held-for-trading investments	-	9,495	-	-
Advances and receivables (including cash and bank balances)	401,412	513,880	1,304,682	1,368,789
Available-for-sale investments	66,540	8,096	-	-
Financial liabilities				
Derivative financial instruments	4,530	-	4,530	-
Other financial liabilities	1,199,163	1,267,709	615,987	681,705

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk, market risk and liquidity risk. The policies for managing each of these risks are summarised below:

Interest rate risk management

The Group's and the Company's exposure to the risk of changes in interest rates relates mainly to bank borrowings and advances to and from subsidiaries respectively. The Group actively reviews its debt portfolio to achieve the most favourable interest rates available. The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. Hedging instruments such as interest rate swaps are also used where appropriate to minimise its exposure to interest rate volatility.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposures to interest rates for significant non-derivatives instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

At the end of the reporting period, it is estimated that a 50 basis point change in interest rates would affect the Group's and Company's profit before tax by approximately \$2.6 million and \$1.6 million respectively (2014: \$3.0 million and \$2.9 million respectively).

Foreign exchange risk management

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to United States dollars, Sterling pounds, Australian dollars and Malaysian ringgit.

The Group maintains natural hedges, whenever possible, by borrowing in currencies that match the future revenue stream to be generated from its investments. Hedging instruments such as cross currency swaps are also used where appropriate to hedge its exposure to foreign currency risk. Further details on the cross currency swaps are found in Note 21 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

At the reporting date, the significant carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies, after taking into consideration the cross currency swaps, are as follows:

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
United States dollars	51,935	41,246	87,204	49,559	-	-	29,654	630
Sterling pounds	237,991	297,248	105,137	159,935	2,557	97,787	5,445	97,926
Australian dollars	15,111	-	16,595	-	14,083	-	13,979	-
Malaysian ringgit	-	-	8,598	9,834	-	-	-	-

Foreign currency sensitivity

The sensitivity analysis uses a 10% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis includes only significant outstanding foreign currency denominated monetary items not designated as hedge and adjusts their translation at the year end for a 10% change in foreign currency rates. The following table details the sensitivity to a 10% increase/decrease in the functional currency against the relevant foreign currencies. If the functional currency strengthens by 10% against the relevant foreign currency, profit before tax and other equity will increase (decrease) by:

	US dollar impact		Sterling pound impact		Australian dollar impact		Malaysian ringgit impact	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group								
Profit before tax	(3,128)	(600)	77	36	(148)	-	-	-
Other equity	(399)	(231)	13,208	13,695	-	-	(860)	(983)
Company								
Profit before tax	(2,965)	(63)	(289)	(14)	10	-	-	-

If the functional currency weakens by 10% against the relevant foreign currency, profit before tax and other equity will (increase) decrease by the same amounts.

Credit risk management

The Group has a diversified portfolio of businesses and at the end of the reporting period, there was no significant concentration of credit risk with any entity. The Group has guidelines governing the process of granting credit as a service or product provider in its respective segments of business. The Group and the Company have considered the credit quality of the advances and receivables and determined that the amounts are considered recoverable except as disclosed.

The carrying amount of advances and receivables (including cash and bank balances) represents the maximum credit risk exposure for the Group and the Company at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

Liquidity risk management

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash or cash convertible investments to meet its working capital requirement. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

Liquidity risk analysis

The following are the expected contractual undiscounted cash flows of financial liabilities, including interest payments:

	Contractual cash flows (including interest payments)				
	Carrying amount \$'000	Total \$'000	On demand or within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000
Group					
2015					
Non-interest bearing	120,575	120,575	120,575	-	-
Interest bearing	1,078,587	1,175,743	258,430	739,629	177,684
	1,199,162	1,296,318	379,005	739,629	177,684
2014					
Non-interest bearing	130,560	130,560	130,560	-	-
Interest bearing	1,137,149	1,229,129	289,553	773,197	166,379
	1,267,709	1,359,689	420,113	773,197	166,379
Company					
2015					
Non-interest bearing	63,646	63,646	63,646	-	-
Interest bearing	552,341	630,803	117,589	337,064	176,150
	615,987	694,449	181,235	337,064	176,150
2014					
Non-interest bearing	74,430	74,430	74,430	-	-
Interest bearing	607,275	681,524	109,425	407,418	164,681
	681,705	755,954	183,855	407,418	164,681

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

The Group and the Company have provided corporate guarantees of \$43 million (2014: \$24 million) and \$476 million (2014: \$456 million) to financial institutions in respect of credit facilities granted to certain associates and certain subsidiaries respectively at the end of the reporting period. The earliest period that the corporate guarantees could be called is within 1 year (2014: 1 year) from the end of the reporting period. Based on expectations at the end of the reporting period, the Group and the Company consider that it is more likely than not that no amount will be payable under the arrangements. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses. The Group and the Company have also obtained bankers' guarantees as disclosed in Note 19.

The Group's financial assets are due on demand or within 1 year, except for certain advances to associates (Note 12) as at December 31, 2014, of which approximately 87% was due within 2 to 5 years. The Company's financial assets are due on demand or within 1 year except for advances to subsidiaries (Note 14).

Market risk management

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to quoted securities or factors affecting all securities traded in the market.

The Group has invested in various securities. The valuations and liquidity of these investments are subject to market risk.

At the end of the reporting period, it is estimated that a 10% change in market prices would have an impact on the Group's profit before tax and equity for the year by approximately Nil (2014: \$0.9 million) and \$6.1 million (2014: \$0.8 million) respectively.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The total capital of the Group as at the end of the reporting period is represented by the "Equity attributable to owners of the Company" as presented on the statements of financial position.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives during the years ended December 31, 2015 and December 31, 2014.

Fair values of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of long-term financial liabilities and financial assets comprising mainly long-term borrowings and certain advances to equity accounted entities and subsidiaries approximate their respective fair values as they are based on interest rates that approximate market interest rates except as disclosed in Note 19(a).

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

The fair values of other classes of financial assets and liabilities are determined as follows:

- i) the fair value of financial assets and financial liabilities traded on active liquid markets are determined with reference to quoted market prices; and
- ii) the fair value of unquoted financial instruments are determined in accordance with Note 15.

The table below analyses financial instruments carried at fair value, by valuation method.

	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group				
2015				
Financial assets				
Available-for-sale investments	66,540	61,061	-	*5,479
Financial liabilities				
Derivative financial instruments	4,530	-	**4,530	-
2014				
Financial assets				
Held-for-trading investments	9,495	9,495	-	-
Available-for-sale investments	8,096	7,823	-	*273
Total	17,591	17,318	-	273

* The key unobservable input used to determine the fair value of the available-for-sale investments is the net asset value. The higher the net asset value, the higher the fair value of the investments.

** Derivative financial instruments are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present valuation calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rate.

5. RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

5. RELATED PARTY TRANSACTIONS (CONT'D)

- a) Significant transactions with such related parties during the year, other than those disclosed elsewhere in the financial statements, are as follows:

	Group	
	2015 \$'000	2014 \$'000
Transactions with companies in which certain directors are deemed to have interests:		
Management fee expense	857	774
Management fee income	(1,216)	(1,089)
Rental income	(9,682)	(10,831)
Transactions with associates:		
Management fee income	(1,261)	(1,586)

- b) The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2015 \$'000	2014 \$'000
Short-term benefits	17,008	19,063
Post-employment benefits	318	288
Share-based payments	6,219	2,253
	23,545	21,604

6. CASH AND BANK BALANCES

- a) As at December 31, 2015, cash and bank balances of approximately \$3,720,000 (2014: \$3,499,000) were pledged to the banks to secure certain credit facilities.
- b) The bank deposits of the Group bear annual interest ranging from 0% to 3.0% (2014: 0% to 3.0%). The interest rate is re-fixed on a short-term basis typically 6 months or less.

7. HELD-FOR-TRADING INVESTMENTS

	Group	
	2015 \$'000	2014 \$'000
Quoted equity shares, at fair value	-	9,495

The fair values of these quoted equity shares were based on closing quoted market prices on the last market day of the previous financial year.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade receivables	22,192	47,460	1,788	1,951
Less: Allowances for doubtful receivables	(222)	(275)	-	(17)
	21,970	47,185	1,788	1,934
Other deposits	2,745	2,865	1	128
Other receivables	20,990	2,186	327	559
Prepayments	11,447	8,981	426	549
Total	57,152	61,217	2,542	3,170

Movement in allowance for doubtful receivables:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Balance at beginning of year	275	234	17	-
Amount written off during the year	(22)	(6)	(3)	-
Net (decrease) increase in allowance recognised in profit or loss	(32)	45	(14)	17
Exchange realignment	1	2	-	-
Balance at end of year	222	275	-	17

Interest is charged at rates ranging from 14% to 18% (2014: 14% to 18%) per annum on certain overdue trade balances, and an amount of \$16.4 million included in other receivables bear interest at 12% (2014: Nil) per annum. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience and objective evidence of impairment which includes ageing of receivables and the financial condition of the debtor.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable. The concentration of credit risk is limited due to the customer base being large and unrelated to one another.

Included in the Group's trade receivables balance are debtors with a carrying amount of \$3.2 million (2014: \$2.6 million) which are past due as at the end of the reporting period for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The average age of these receivables is 51 days (2014: 39 days).

9. INVENTORIES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Saleable merchandise	7,142	7,732	239	249
Operating supplies	1,989	2,326	-	-
Total	9,131	10,058	239	249

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

10. COMPLETED PROPERTIES HELD FOR SALE

Location	Title	Description
The Met 125 South Sathorn Road, Bangkok, Thailand	Freehold	13 (2014: 14) condominium units with an aggregate floor area of approximately 29,212 (2014: 31,328) square feet
Tomlinson Heights 31 Tomlinson Road, Singapore 247855	Freehold	28 (2014: 36) condominium units with an aggregate floor area of approximately 99,908 (2014: 125,774) square feet

11. ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Associates (Note 12)	255,013	515,197	-	-
Jointly controlled entities (Note 13)	330,576	327,189	-	-
	585,589	842,386	-	-
Amount due from associates – current (Note 12)	192,571	37,307	5,751	6,231
Amount due from jointly controlled entities – current (Note 13)	7,054	-	-	-
	199,625	37,307	5,751	6,231

12. ASSOCIATES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cost of investments in associates ⁽¹⁾	263,477	256,733	-	-
Share of post-acquisition results and reserves net of dividend received	(53,253)	(71,509)	-	-
Advances to associates ⁽²⁾	44,789	329,973	-	-
Net (Note 11)	255,013	515,197	-	-

⁽¹⁾ During the financial year, equity contribution of \$5,178,000 (2014: \$16,985,000) was made in an associate of the Group in which a director is deemed to have interest.

⁽²⁾ Advances to associates as at December 31, 2015, are in substance net investment. As at December 31, 2014, advances to associates amounting to \$290,600,000 bore interest ranging from 1.5% to 3.9% per annum and the rest were in substance net investment.

As at December 31, 2015, the amounts due from associates (classified as current asset) to the Group and Company of \$192,571,000 (2014: \$37,307,000) and \$5,751,000 (2014: \$6,231,000) respectively are unsecured, interest-free and repayable on demand, except for the amount of \$169,059,000 (2014: \$8,515,000) due to the Group which bears interest ranging from 2.1% to 9.3% (2014: 6.0% to 7.7%) per annum.

Information relating to significant associates is shown in Note 35 to the financial statements.

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13. JOINTLY CONTROLLED ENTITIES

	Group	
	2015 \$'000	2014 \$'000
Cost of investments in jointly controlled entities	235,109	159,565
Share of post-acquisition results and reserves	(29,441)	(9,780)
Advances to jointly controlled entities ⁽¹⁾	124,908	177,404
Total (Note 11)	330,576	327,189

⁽¹⁾ Advances to jointly controlled entities are in substance net investment.

As at December 31, 2015, the amount due from jointly controlled entities (classified as current asset) to the Group of \$7,054,000 (2014: Nil) is unsecured, interest-free and repayable on demand.

Impairment loss of \$9,057,000 on the advances to a jointly controlled entity was written back during the previous financial year based on management's assessment on the recoverability of the advances by reference to the financial conditions of the entity.

Information relating to significant jointly controlled entities is shown in Note 36 to the financial statements.

14. SUBSIDIARIES

	Company	
	2015 \$'000	2014 \$'000
Total advances to subsidiaries	1,230,780	1,340,839
Less: Impairment loss	(18,417)	(18,417)
	1,212,363	1,322,422
Less: Amount due from subsidiaries classified as current asset	(889,486)	(828,453)
Non-current advances to subsidiaries	322,877	493,969
Unquoted equity shares, at cost	131,904	131,904
Total	454,781	625,873

As at December 31, 2015, advances to subsidiaries of \$322,877,000 (2014: \$493,969,000) bear interest at rates ranging from 1.2% to 3.9% (2014: 1.2% to 3.8%) per annum, are unsecured and substantially non-trade in nature.

The amounts due from subsidiaries of \$889,486,000 (2014: \$828,453,000) are unsecured, interest-free and repayable on demand.

Impairment loss is determined based on estimated irrecoverable amounts by reference to the financial conditions of the subsidiaries.

As at December 31, 2015, the amounts due to subsidiaries of \$44,467,000 (2014: \$44,456,000) are unsecured, interest-free and repayable on demand. The advances from subsidiaries of \$22,094,000 (2014: \$20,454,000) bear interest at rates ranging from 2.1% to 2.3% (2014: 2.1% to 2.2%) per annum and are unsecured.

During the financial year, interest income from subsidiaries amounted to \$9,832,000 (2014: \$14,292,000).

Information relating to subsidiaries is shown in Note 34 to the financial statements.

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15. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2015 \$'000	2014 \$'000
Non-Current:		
Unquoted equity shares, at fair value	5,479	273
Quoted equity shares, at fair value	53,208	-
Quoted debt securities, at fair value	7,853	7,823
Total	66,540	8,096

The fair values of the unquoted equity shares are determined based on the net asset values of these investments which approximate the fair values. The fair values of the quoted equity shares and debt securities are determined based on market prices at the end of the reporting period. The quoted debt securities bear fixed interest rate at 5.1% (2014: 5.1%) per annum.

During the financial year, there was a reversal of impairment loss of \$29,000 (2014: \$0.5 million) due to the change in fair value of the quoted debt securities by reference to the market prices at the end of the reporting period.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold and leasehold land \$'000	Leasehold property \$'000	Buildings and improvements \$'000	Plant and equipment, furniture, fixtures and fittings \$'000	Construction- in- progress \$'000	Total \$'000
Group						
Cost or valuation:						
At January 1, 2014	444,170	116,872	621,956	381,295	16,288	1,580,581
Additions	21,609	-	72,640	28,011	26,550	148,810
Arising from acquisition of additional interest in a jointly controlled entity	81,649	-	-	12	9,704	91,365
Arising from disposal of a subsidiary	-	-	(5,233)	(4,242)	-	(9,475)
Reclassification	-	-	13,377	5,456	(18,833)	-
Disposals	-	-	(194)	(5,350)	-	(5,544)
Exchange realignment	6,127	-	21,633	7,643	1,133	36,536
At December 31, 2014	553,555	116,872	724,179	412,825	34,842	1,842,273
Additions	1,033	-	10,879	25,571	23,411	60,894
Reclassification	-	-	13,288	6,550	(19,838)	-
Disposals	-	-	(318)	(13,945)	-	(14,263)
Exchange realignment	(20)	-	28,115	9,584	1,329	39,008
At December 31, 2015	554,568	116,872	776,143	440,585	39,744	1,927,912

NOTES TO FINANCIAL STATEMENTS

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16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold and leasehold land \$'000	Leasehold property \$'000	Buildings and improvements \$'000	Plant and equipment, furniture, fixtures and fittings \$'000	Construction- in- progress \$'000	Total \$'000
Group						
Comprising:						
December 31, 2014						
At cost	199,383	116,872	724,179	412,825	34,842	1,488,101
At valuation	354,172	-	-	-	-	354,172
	553,555	116,872	724,179	412,825	34,842	1,842,273
December 31, 2015						
At cost	200,514	116,872	776,143	440,585	39,744	1,573,858
At valuation	354,054	-	-	-	-	354,054
	554,568	116,872	776,143	440,585	39,744	1,927,912
Accumulated depreciation:						
At January 1, 2014	14,595	32,838	262,344	311,568	-	621,345
Depreciation for the year	1,437	1,314	23,783	22,384	-	48,918
Arising from acquisition of additional interest in a jointly controlled entity	-	-	-	12	-	12
Arising from disposal of a subsidiary	-	-	(4,894)	(4,103)	-	(8,997)
Disposals	-	-	(131)	(4,582)	-	(4,713)
Exchange realignment	674	-	7,545	5,763	-	13,982
At December 31, 2014	16,706	34,152	288,647	331,042	-	670,547
Depreciation for the year	1,480	1,313	23,301	25,340	-	51,434
Disposals	-	-	(248)	(12,990)	-	(13,238)
Exchange realignment	1,134	-	9,733	6,876	-	17,743
At December 31, 2015	19,320	35,465	321,433	350,268	-	726,486
Impairment loss:						
At January 1, 2014	264	-	-	-	-	264
Arising from acquisition of additional interest in a jointly controlled entity	-	-	-	-	6,170	6,170
Exchange realignment	(6)	-	-	-	130	124
At December 31, 2014	258	-	-	-	6,300	6,558
Exchange realignment	(33)	-	-	-	(158)	(191)
At December 31, 2015	225	-	-	-	6,142	6,367
Carrying amount:						
At December 31, 2014	536,591	82,720	435,532	81,783	28,542	1,165,168
At December 31, 2015	535,023	81,407	454,710	90,317	33,602	1,195,059

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16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold and leasehold land \$'000	Buildings and improvements \$'000	Plant and equipment, furniture, fixtures and fittings \$'000	Construction- in- progress \$'000	Total \$'000
Company					
Cost or valuation:					
At January 1, 2014	208,800	24,879	97,714	21	331,414
Additions	-	-	3,550	2,336	5,886
Reclassifications	-	-	189	(189)	-
Disposals	-	(18)	(2,871)	-	(2,889)
At December 31, 2014	208,800	24,861	98,582	2,168	334,411
Additions	-	-	2,990	2,210	5,200
Reclassifications	-	-	445	(445)	-
Disposals	-	(177)	(3,140)	-	(3,317)
At December 31, 2015	208,800	24,684	98,877	3,933	336,294
Comprising:					
December 31, 2014					
At valuation	208,800	-	-	-	208,800
At cost	-	24,861	98,582	2,168	125,611
	208,800	24,861	98,582	2,168	334,411
December 31, 2015					
At valuation	208,800	-	-	-	208,800
At cost	-	24,684	98,877	3,933	127,494
	208,800	24,684	98,877	3,933	336,294
Accumulated depreciation:					
At January 1, 2014	-	17,864	85,932	-	103,796
Depreciation for the year	-	419	3,672	-	4,091
Disposals	-	(18)	(2,591)	-	(2,609)
At December 31, 2014	-	18,265	87,013	-	105,278
Depreciation for the year	-	420	3,776	-	4,196
Disposals	-	(177)	(2,623)	-	(2,800)
At December 31, 2015	-	18,508	88,166	-	106,674
Carrying amount:					
At December 31, 2014	208,800	6,596	11,569	2,168	229,133
At December 31, 2015	208,800	6,176	10,711	3,933	229,620

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16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The freehold and long-term leasehold land are stated at valuation based on the open market value for existing use as at December 31, 1996 by DTZ Debenham Tie Leung (SEA) Pte Ltd and its associates. The revaluation surplus of the Company and of the Group has been recorded in the asset revaluation reserve. Subsequent to the above one-off revaluation, no further revaluation was done after the adoption of FRS 16 *Property, Plant and Equipment*.

Had the total freehold and long-term leasehold land been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amounts for the Group and Company would have been approximately \$299 million (2014: \$301 million) and \$98 million (2014: \$98 million) respectively.

As at December 31, 2015, certain property, plant and equipment with total carrying amount of \$991 million (2014: \$951 million) were mortgaged to banks to secure credit facilities for the Company and respective subsidiaries of the Group.

17. INVESTMENT PROPERTIES

Gross rental income and direct operating expenses arising from investment properties amounted to \$25 million (2014: \$26 million) and \$9.0 million (2014: \$8.6 million) respectively for the year ended December 31, 2015.

For the year ended December 31, 2014, fair value gain recognised amounted to \$5.7 million.

Certain investment properties amounting to approximately \$655 million as at December 31, 2015 (2014: \$655 million) were mortgaged to banks to secure credit facilities for the respective subsidiaries of the Group.

The fair values of the investment properties at December 31, 2015, and 2014 have been determined on the basis of valuations carried out at the respective year end dates by independent valuers having an appropriate recognised professional qualification based on income capitalisation approach and direct comparison method that reflects prevailing property market conditions and existing tenancies as at the respective dates.

Details of the investment properties and information about the fair value hierarchy as at December 31, 2015 are as follows:

	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group				
2015				
Investment properties	688,698	-	-	688,698
2014				
Investment properties	688,698	-	-	688,698

The Group considers certain unobservable inputs used by the independent valuers in determining the fair value measurement of the Group's investment properties as sensitive to the fair value measurement. A change in these inputs will have a corresponding increase/decrease in the fair valuation as follows:

- The higher the rental, the higher the fair value;
- The higher the capitalisation rate which ranges from 2.5% to 5.0% (2014: 2.5% to 5.0%), the lower the fair value; and
- The higher the transacted price of comparable units which range from \$21,500 to \$43,100 (2014: \$21,500 to \$43,100) per square metre, the higher the fair value.

NOTES TO FINANCIAL STATEMENTS

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18. INTANGIBLE ASSETS

	Goodwill \$'000	Franchise rights \$'000	Total \$'000
Group			
Cost:			
At January 1, 2014	11,101	5,952	17,053
Arising from disposal of a subsidiary	(5,591)	-	(5,591)
Exchange realignment	(75)	148	73
At December 31, 2014	5,435	6,100	11,535
Additions	-	207	207
Exchange realignment	-	(86)	(86)
At December 31, 2015	5,435	6,221	11,656
Accumulated amortisation:			
At January 1, 2014	-	4,106	4,106
Amortisation charged against other operating expense	-	317	317
Exchange realignment	-	95	95
At December 31, 2014	-	4,518	4,518
Amortisation charged against other operating expense	-	330	330
Exchange realignment	-	(65)	(65)
At December 31, 2015	-	4,783	4,783
Impairment loss:			
At January 1, 2014	6,354	-	6,354
Arising from disposal of a subsidiary	(5,591)	-	(5,591)
Exchange realignment	(75)	-	(75)
At December 31, 2014	688	-	688
Exchange realignment	-	-	-
At December 31, 2015	688	-	688
Carrying amount:			
At December 31, 2014	4,747	1,582	6,329
At December 31, 2015	4,747	1,438	6,185

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units ("CGU") that are expected to benefit from that business combination. The carrying amount of goodwill attributable to certain property, plant and equipment is approximately \$4.7 million (2014: \$4.7 million) respectively.

The recoverable amounts of the CGU are determined from professional valuations based on income approach on properties held by the CGUs.

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19. BORROWINGS AND OTHER LONG-TERM LIABILITIES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Due after twelve months				
Long-term bank loans	430,134	473,729	16,061	97,662
Notes payable	414,204	399,201	414,204	399,201
Other long-term liabilities	2,665	2,755	-	-
	847,003	875,685	430,265	496,863
Due within twelve months				
Current portion of long-term bank loans	131,319	171,242	-	-
Notes payable	99,983	89,958	99,983	89,958
Current portion of other long-term liabilities	283	264	-	-
	231,585	261,464	99,983	89,958
Bankers' guarantees	25,160	25,249	339	339

- a) During the year, bank loans (secured) bear floating interest rates ranging from 1.0% to 3.6% (2014: 1.1% to 2.6%) per annum, and certain notes payable (unsecured) and other long-term liabilities (secured) bear fixed interest rates ranging from 3.5% to 5% (2014: 3.5% to 5%) per annum. The carrying amount and fair value of these notes and other long-term liabilities are \$517,135,000 and \$511,573,000 (2014: \$492,178,000 and \$506,414,000) respectively. The notes and other long-term liabilities are classified under level 2 of the fair value hierarchy and the fair value has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate. The facilities are repayable from 2016 to 2026 (2014: 2015 to 2026).
- b) Securities include legal mortgages on properties of the Company and certain subsidiaries (Notes 16 and 17); subordinated mortgages over certain subsidiaries' lease rights, fixed and floating charges on the assets of the Company and certain subsidiaries; pledge of shares of certain subsidiaries and corporate guarantees from the Company, certain subsidiaries and certain non-controlling shareholders.
- c) Bank loans at floating interest rates are contractually repriced on a short-term basis, typically six months or less.
- d) The Group has obtained bankers' guarantees in favour of various statutory boards and government regulatory authorities. These guarantees are secured by the assets and undertakings as disclosed in (b) above and/or pledge of fixed deposits (Note 6) of certain subsidiaries.

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20. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Trade payables	66,243	73,024	6,463	6,735
Accrued employee-related expenses	17,073	27,314	3,511	13,495
Accrued operating expenses	22,925	19,108	3,582	3,883
Due to companies in which certain directors have interests*	368	360	-	-
Interest payable to non-related companies	6,234	6,799	5,141	5,473
Others	7,732	3,955	481	388
Total	120,575	130,560	19,178	29,974

* Amounts due to companies in which certain directors have interests are unsecured, interest-free and repayable on demand.

The average credit period on purchases of goods and services ranges from 1 to 2 months (2014: 1 to 2 months).

21. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Non-current				
Cross currency swaps	4,530	-	4,530	-
	4,530	-	4,530	-

The Group uses cross currency swaps to manage its exposure to exchange rate movements on its investments. At balance sheet date, the notional value of outstanding cross currency swaps to which the Group has committed is \$100 million (2014: Nil).

The fair values of swaps entered into at December 31, 2015 are estimated at \$4.5 million (2014: Nil). All of these swaps are designated and effective as cash flow hedges and the fair values thereof have been deferred in equity.

22. DEFERRED TAX ASSETS / LIABILITIES

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Deferred tax assets	(3,723)	(4,298)	-	-
Deferred tax liabilities	14,151	13,947	1,016	1,054
Net	10,428	9,649	1,016	1,054

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22. DEFERRED TAX ASSETS / LIABILITIES (CONT'D)

The following are the major deferred tax assets and liabilities recognised by the Group and the Company and movements thereon during the year:

	Tax losses \$'000	Net accelerated tax depreciation \$'000	Temporary differences arising from recognition of profits on uncompleted projects \$'000	Other temporary differences \$'000	Total \$'000
Group					
At January 1, 2014	(235)	4,007	14,576	5,372	23,720
Charge to (Reversal from) profit or loss	133	1,641	(14,576)	(1,219)	(14,021)
Reversal from other comprehensive income	-	-	-	(120)	(120)
Exchange realignment	-	82	-	(12)	70
At December 31, 2014	(102)	5,730	-	4,021	9,649
Charge to (Reversal from) profit or loss	91	2,125	-	(1,562)	654
Reversal from other comprehensive income	-	-	-	(49)	(49)
Exchange realignment	-	192	-	(18)	174
At December 31, 2015	(11)	8,047	-	2,392	10,428
				Accelerated tax depreciation \$'000	
Company					
At January 1, 2014					1,012
Charge to profit or loss					42
At December 31, 2014					1,054
Reversal from profit or loss					(38)
At December 31, 2015					1,016

23. SHARE CAPITAL AND OPTIONS

	Group and Company			
	2015 Number of ordinary shares	2014 Number of ordinary shares	2015 \$'000	2014 \$'000
Issued and fully paid:				
At beginning of year	519,078,851	508,056,251	715,415	687,832
Issue of shares	551,900	11,022,600	2,480	27,583
At end of year	519,630,751	519,078,851	717,895	715,415

The company has one class of ordinary shares which carries no right to fixed income and has no par value.

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23. SHARE CAPITAL AND OPTIONS (CONT'D)

Under the Hotel Properties Limited Share Option Scheme 2000 (“Scheme 2000”) and the Hotel Properties Employee Share Option Scheme 2010 (“Scheme 2010”), options to subscribe for the Company’s ordinary shares may be granted to executives of the Company. The schemes are administered by the Remuneration Committee. The exercise price of the granted options was determined based on the average last business done price for the shares of the Company for the three and five market days preceding the date of grant for Scheme 2000 and Scheme 2010 respectively. The Remuneration Committee may at its discretion fix the exercise price at a discount not exceeding 20% to the above price. The vesting period is 2 years for options granted at a discounted exercise price, and 1 year for options granted without discount. The share options have a validity period of 10 years from the date of grant, unless they have been forfeited prior to that date.

Details of the share options outstanding during the year are as follows:

	Group and Company			
	2015		2014	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	4,820,000	3.44	11,035,000	2.21
Granted during the year	6,025,000	3.10	3,400,000	3.21
Exercised during the year	(200,000)	4.00	(9,615,000)	1.95
Outstanding at the end of the year	10,645,000	3.24	4,820,000	3.44
Exercisable at the end of the year	1,220,000	4.00	1,420,000	4.00

The weighted average market price at the date of exercise for share options exercised during the year was \$4.19 (2014: \$3.63). The options outstanding at the end of the year have a weighted average remaining contractual life of 7.3 (2014: 6.5) years.

The estimated weighted average fair value of the options granted during the year is \$0.59 (2014: \$0.79). The weighted average fair value determined using The Black-Scholes pricing model was based on a weighted average share price of \$3.93 (2014: \$4.40) at the dates of grant, and an expected life of 2 years (2014: 2 years). The risk-free interest rate is based on the yield curve of Singapore Government securities as at grant dates. The expected weighted average volatility is 22% (2014: 24%) based on historical volatility of the Company’s share prices over the previous 2.5 years (2014: 2.5 years).

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23. SHARE CAPITAL AND OPTIONS (CONT'D)

The Company also has a Hotel Properties Limited Performance Share Plan that is administered by the Remuneration Committee. Fully paid shares are awarded to participants taking into consideration certain performance criteria and vesting period. Details of the performance shares outstanding during the year are as follows:

	Group and Company	
	2015	2014
	Number of	Number of
	performance shares	performance shares
Outstanding at the beginning of the year	-	1,407,600
Granted during the year	2,111,400	-
Released during the year	(351,900)	(1,407,600)
Outstanding at the end of the year	1,759,500	-

The Group recognised total expenses of \$7,167,000 (2014: \$2,783,000) related to equity-settled share-based payment transactions during the year.

24. OTHER RESERVES

	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Hedge reserve \$'000	Option reserve \$'000	Other capital reserve \$'000	Total \$'000
Group						
Balance as at January 1, 2014	221,479	(119,618)	-	8,349	(21,703)	88,507
Total comprehensive income for the year	-	17,010	-	-	44	17,054
Recognition of share-based payments	-	-	-	2,783	-	2,783
Transfer during the year	-	-	-	(8,835)	-	(8,835)
Balance as at December 31, 2014	221,479	(102,608)	-	2,297	(21,659)	99,509
Total comprehensive income for the year	-	(4,144)	(1,500)	-	(750)	(6,394)
Recognition of share-based payments	-	-	-	7,167	-	7,167
Transfer during the year	-	-	-	(1,680)	-	(1,680)
Balance as at December 31, 2015	221,479	(106,752)	(1,500)	7,784	(22,409)	98,602

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24. OTHER RESERVES (CONT'D)

	Asset revaluation reserve \$'000	Hedge reserve \$'000	Option reserve \$'000	Total \$'000
Company				
Balance as at January 1, 2014	110,785	-	8,349	119,134
Recognition of share-based payments	-	-	2,783	2,783
Transfer during the year	-	-	(8,835)	(8,835)
Balance as at December 31, 2014	110,785	-	2,297	113,082
Total comprehensive income for the year	-	(1,500)	-	(1,500)
Recognition of share-based payments	-	-	7,167	7,167
Transfer during the year	-	-	(1,680)	(1,680)
Balance as at December 31, 2015	110,785	(1,500)	7,784	117,069

Asset revaluation reserve records the revaluation surplus arising from valuation of properties.

Hedge reserve records the fair value changes on the derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be an effective hedge.

Option reserve represents the equity-settled share options and performance shares granted to employees. The reserve is made up of the cumulative value of services received from employees recorded on grant of equity-settled share options and performance shares. The expense for services received will be recognised over the vesting period.

The exchange fluctuation reserve is used to record foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency and exchange differences arising from translation of monetary items that form part of a net investment in a foreign entity.

Other capital reserves include the cumulative fair value changes of available-for-sale financial assets until they are derecognised or impaired, as well as reserve on consolidation which represents the difference between the fair value of the consideration paid and the amount by which the non-controlling interest are reduced during the acquisition of additional interests from non-controlling shareholders.

25. PERPETUAL CAPITAL SECURITIES

The Company issued \$150 million in aggregate principal amount of 6.125% perpetual capital securities on May 4, 2012. The securities are recorded at the proceeds received, net of direct issue costs.

The securities are perpetual and confer a right to receive distribution payments. Such distribution is payable semi-annually in arrear unless the Company, at its sole discretion, elect to defer any distribution in accordance with the terms and conditions of the securities. The rate of distribution applicable to the securities is as follows:

- i) from May 4, 2012 to May 4, 2017 (the "Step-Up Date") at 6.125% per annum;
- ii) from the Step-Up Date and each date falling every five years after the Step-Up Date (each, a "Reset Date"), at a floating rate as defined in the terms and conditions of the securities.

The securities constitute direct, unsecured and subordinated obligations of the Company and rank *pari passu* and without any preference among themselves. The securities may be redeemed at the option of the Company on the Step-Up Date or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemptive events as specified in the terms and conditions of the securities.

NOTES TO FINANCIAL STATEMENTS

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26. REVENUE

An analysis of the Group's revenue for the year is as follows:

	Group	
	2015 \$'000	2014 \$'000
Sales	74,110	90,405
Hotel revenue	476,507	494,528
Rental income	25,559	26,201
Management fee	3,365	3,510
Total	579,541	614,644

Included in sales was an amount of \$59,624,000 being revenue recognised based on percentage of completion method on development properties during the financial year ended December 31, 2014.

27. PROFIT BEFORE INCOME TAX

This is determined after charging (crediting):

	Group	
	2015 \$'000	2014 \$'000
Staff costs (including share-based payments)	141,099	135,234
Cost of defined contribution plans included in staff costs	8,046	8,341
Cost of inventories recognised as expense	88,463	92,966
Depreciation and amortisation	51,764	49,235
Audit fees paid to auditors:		
Auditors of the Company	603	762
Other auditors	481	477
Non-audit fees paid to auditors:		
Auditors of the Company	40	44
Other auditors	56	44
(Write-back of) Allowance for doubtful trade receivables*	(32)	45
Fair value gain on held-for-trading investments*	(1,017)	(549)
Foreign exchange adjustment (gain) loss (net)*	(2,669)	117
Write-back of impairment loss on available-for-sale investments*	(29)	(500)
Write-back of impairment of advances to a jointly controlled entity*	-	(9,057)
Interest income*	(1,566)	(880)
Dividend income (gross)*	(1,493)	(118)
Gain on disposal of property, plant and equipment*	(341)	(121)
Gain on disposal of a subsidiary*	-	(1,642)
Gain on disposal of associates*	(10,956)	(13,246)

* These are included in other operating (income) expenses.

NOTES TO FINANCIAL STATEMENTS

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28. INCOME TAX EXPENSE

	Group	
	2015 \$'000	2014 \$'000
Current tax	21,592	36,877
Deferred tax	654	(14,021)
	22,246	22,856
Under provision in prior years	2,964	2,324
	25,210	25,180

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2014: 17%) to profit before income tax and share of results of associates and jointly controlled entities as a result of the following differences:

	Group	
	2015 \$'000	2014 \$'000
Profit before income tax and share of results of associates and jointly controlled entities	79,716	127,001
Tax calculated at a tax rate of 17% (2014: 17%)	13,552	21,590
Non-deductible (Non-taxable) items (net)	4,449	(110)
Tax exemption	(545)	(522)
Utilisation of unabsorbed tax losses brought forward	(924)	(692)
Utilisation of unabsorbed capital allowances brought forward	(17)	-
Deferred tax asset on tax losses arising during the year not recorded	1,451	2,070
Effect of different tax rate of overseas operations	4,280	520
	22,246	22,856
Effective tax rate	28.0%	18.0%

Subject to the agreement with the relevant tax authorities and compliance with certain conditions of the relevant tax legislations, in the respective countries in which the subsidiaries operate, the Group has unrecognised tax losses and capital allowances totaling approximately \$43,381,000 and \$384,000 (2014: \$51,373,000 and \$459,000) respectively which are available for set off against future taxable income of the respective subsidiaries. No deferred tax asset has been recognised in respect of these due to unpredictability of future profit stream. Tax losses approximating \$29,412,000 (2014: \$38,047,000) will expire within the next 5 years.

29. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group net profit attributable to owners of the Company after deducting provision for distribution to perpetual capital securities holders divided by the weighted average number of ordinary shares of 519,522,598 (2014: 515,757,060) in issue during the year.

Diluted earnings per share is based on 521,420,267 (2014: 517,025,197) ordinary shares assuming the full exercise of outstanding share options and release of performance shares during the year and adjusted Group earnings of \$72,511,000 (2014: \$115,221,000) after adjusting the weighted average number of ordinary shares to reflect the effect of all potentially dilutive ordinary shares.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

29. EARNINGS PER SHARE (CONT'D)

	2015 \$'000	Group 2014 \$'000
Profit attributable to owners of the Company used to compute basic earnings per share	72,478	115,207
Adjusted profit attributable to owners of the Company used to compute diluted earnings per share	72,511	115,221

	2015 No. of shares ('000)	Group 2014 No. of shares ('000)
Weighted average number of ordinary shares used to compute basic earnings per share	519,523	515,757
Adjustment for potential dilutive ordinary shares	1,897	1,268
Weighted average number of ordinary shares used to compute diluted earnings per share	521,420	517,025
Basic earnings per share	13.95 cents	22.34 cents
Diluted earnings per share	13.91 cents	22.29 cents

30. DIVIDENDS

In 2014, the Company declared and paid a first and final one-tier tax exempt dividend of 4 cents per ordinary share of the Company, and a one-tier tax exempt special dividend of 4 cents per ordinary share of the Company, totaling \$41,386,000 in respect of the financial year ended December 31, 2013.

In 2015, the Company declared and paid a first and final one-tier tax exempt dividend of 4 cents per ordinary share of the Company, and a one-tier tax exempt special dividend of 6 cents per ordinary share of the Company, totaling \$51,963,000 in respect of the financial year ended December 31, 2014.

Subsequent to December 31, 2015, the directors of the Company recommended that a first and final one-tier tax exempt dividend be paid at 4 cents per ordinary share of the Company, and a one-tier tax exempt special dividend be paid at 4 cents per ordinary share of the Company, totaling \$41,570,000 for the financial year ended December 31, 2015. The proposed dividends are not accrued as a liability for the current financial year in accordance with FRS 10 – *Events After The Reporting Period*.

NOTES TO FINANCIAL STATEMENTS

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31. CAPITAL COMMITMENTS

As at the end of the financial year, the Group has capital commitments contracted but not provided for in the financial statements in respect of the following:

	Group	
	2015 \$'000	2014 \$'000
Capital expenditure	12,937	6,487
Interests in associates and jointly controlled entities	212,277	91,553

32. OPERATING LEASE COMMITMENTS

	Group	
	2015 \$'000	2014 \$'000
The Group as lessee		
Minimum lease payments under operating lease included in profit or loss	10,726	9,258

At the end of the reporting period, commitments in respect of operating leases for office premises and islands for periods up to 50 years are as follows:

	Group	
	2015 \$'000	2014 \$'000
Future minimum lease payable:		
Within 1 year	9,161	8,479
Within 2 to 5 years	37,590	35,037
After 5 years	242,543	237,291
Total	289,294	280,807

The Group as lessor

At the end of the reporting period, the Group has contracted with tenants for the following minimum lease receivable:

	Group	
	2015 \$'000	2014 \$'000
Future minimum lease receivable:		
Within 1 year	30,583	29,212
Within 2 to 5 years	28,274	30,485
Total	58,857	59,697

The tenancy arrangements range from one to six years. Rental income earned during the year is disclosed in Note 26 to the financial statements. Included in the future minimum lease receivable is an amount of \$15,856,000 (2014: \$19,885,000) relating to tenancy arrangements with companies in which certain directors are deemed to have interests.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

33. SEGMENT INFORMATION

- a) The segment information of the Group is organised into the following reportable segments:

Hotels

These refer mainly to the operations of the hotels and the shopping galleries of the Group as well as the provision of hotel management services. Income is derived mainly from the rental of rooms and shop units, sale of food and beverage and management fee.

Properties

These refer to the rental and sale operations on residential properties and commercial units. Sales and profit from the condominium development projects in Singapore are recognised based on percentage of completion method, and those from overseas projects are recognised based on completion of construction method.

Others

These refer to distribution and retail operations, activities on quoted and unquoted investments and others.

- b) The following segment information is prepared on the same basis as the Group's accounting policies described in Note 2:
- i) Segment revenue and expenses are revenue and expenses reported in the Group's income statement that either are directly attributable to a segment or can be allocated on a reasonable basis to a segment.
 - ii) Segment revenue and expenses include transfers between business segments. Inter-segment sales are charged at cost plus a percentage profit mark-up. These transfers are eliminated on consolidation. Share of results of associates and jointly controlled entities are allocated as they are specifically attributable to a segment.
 - iii) Segment assets are all operating assets that are employed by a segment in its operating activities and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude interest-producing assets. Investments in associates and jointly controlled entities are included as segment assets of the Group.
 - iv) Segment liabilities are all operating liabilities of a segment and are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities exclude interest-bearing liabilities and income tax liabilities.
 - v) Segment revenue and non-current assets are analysed based on the location of those assets.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

33. SEGMENT INFORMATION (CONT'D)

c) Information by business segment:

	Hotels		Properties		Others		Elimination		Consolidation	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
REVENUE										
External sales	479,363	498,038	100,172	116,600	6	6	-	-	579,541	614,644
Inter-segment sales	-	-	413	410	-	-	(413)	(410)	-	-
Total revenue	479,363	498,038	100,585	117,010	6	6	(413)	(410)	579,541	614,644
RESULTS										
Earnings before interest, tax and fair value changes in investment properties	78,895	102,677	30,761	35,502	3,401	14,257	-	-	113,057	152,436
Fair value gain in investment properties	-	-	-	5,686	-	-	-	-	-	5,686
Segment results	78,895	102,677	30,761	41,188	3,401	14,257	-	-	113,057	158,122
Finance costs									(34,907)	(32,001)
Interest income									1,566	880
Share of results of equity accounted investees	2,646	(4,012)	33,250	35,819	329	1,183	-	-	36,225	32,990
Income tax expense									(25,210)	(25,180)
Non-controlling interests									(9,065)	(10,416)
Net profit									81,666	124,395

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

33. SEGMENT INFORMATION (CONT'D)

c) Information by business segment:

	Hotels		Properties		Others		Elimination		Consolidation	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
OTHER INFORMATION										
Segment assets	1,258,423	1,240,181	954,440	1,034,529	69,237	18,141	-	-	2,282,100	2,292,851
Investment in equity accounted investees	134,049	143,903	641,825	726,509	9,340	9,282	-	-	785,214	879,694
Unallocated corporate assets									111,151	58,700
Consolidated total assets									3,178,465	3,231,245
Segment liabilities	95,313	102,450	23,680	27,374	1,387	556	-	-	120,380	130,380
Unallocated corporate liabilities									1,108,801	1,179,365
Consolidated total liabilities									1,229,181	1,309,745
Additions to non-current assets (excluding fair value changes)	74,891	251,446	98,315	190,695	500	-	-	-	173,706	442,141
Depreciation and amortisation	50,855	48,419	906	813	3	3	-	-	51,764	49,235
Write-back of impairment loss	-	(9,057)	-	-	(29)	(500)	-	-	(29)	(9,557)
Non-cash expenses (income) other than depreciation, amortisation and impairment loss	(1,686)	74	(1,347)	(7)	(9)	(26)	-	-	(3,042)	41

d) Information by geographic regions:

	Revenue		Non-current assets	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Singapore	260,759	275,049	1,241,601	1,498,439
The Maldives	196,955	199,496	326,824	298,246
The rest of Asia	104,599	118,948	418,401	439,519
United Kingdom and Europe	359	23	380,187	350,339
Others	16,869	21,128	108,518	116,038
	579,541	614,644	2,475,531	2,702,581

Others consist of mainly U.S.A., Australasia and Africa.

NOTES TO FINANCIAL STATEMENTS

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34. SUBSIDIARIES

Information relating to subsidiaries is as follows:

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest	
			2015 %	2014 %
Held by the Company				
Cleaton Investments Pte Ltd	Investment holding company	Singapore	93.3	93.3
HPL Hotels & Resorts Pte Ltd	Hotel management and investment holding company	Singapore	100	100
HPL Investment & Development Pte Ltd	Investment holding company	Singapore	100	100
HPL Leisure Holdings Pte Ltd	Investment holding company	Singapore	100	100
HPL Orchard Place Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties Pte Ltd	Property development, hotelier and investment holding company	Singapore	100	100
HPL Properties (Australasia) Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties (Indian Ocean) Pte Ltd	Investment holding company	Singapore	70	70
HPL Properties (SEA) Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties (West) Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties (West Asia) Pte Ltd	Investment holding company	Singapore	100	100
HPL Singapore Pte Ltd	Investment holding company	Singapore	100	100
HPL Tourism & Leisure Pte Ltd	Investment holding company	Singapore	100	100
Luxury Holdings Pte Ltd	Investment holding company	Singapore	100	100
Maxford Investments Pte Ltd	Investment holding company	Singapore	100	100
Super Vista Sdn Bhd ⁽¹⁾	Hotelier	Malaysia	100	100

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34. SUBSIDIARIES (CONT'D)

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest	
			2015 %	2014 %
Held by subsidiaries of the Company				
21 st Century Holding Pte Ltd	Investment holding company	Singapore	100	100
Allegro Investments Pte Ltd	Investment holding company	Singapore	100	100
Amberwood Investments Pte Ltd	Investment holding company	Singapore	100	100
Asia Hotel Growth Fund ⁽¹⁾	Investment holding company	Thailand	100	100
Astrid Holdings Co., Ltd ⁽¹⁾	Investment holding company	Thailand	49**	49**
Bayford Investments Pte Ltd	Investment holding company	Singapore	100	100
Baywood Investments Pte Ltd	Investment holding company	Singapore	100	100
Berkley Investments Pte Ltd	Investment holding company	Singapore	100	100
Campden Hill Investment LLP ⁽¹⁾	Investment holding company	United Kingdom	100	100
Chatsworth Development Management Pte Ltd	Project management company	Singapore	100	100
Concorde Hotel Management Inc. ⁽⁷⁾	Investment holding company	U.S.A.	100	100
Concorde Hotel New York Inc. ⁽⁷⁾	Investment holding company	U.S.A.	100	100
Concorde Hotels & Resorts (Malaysia) Sdn Bhd ⁽¹⁾	Hotel management	Malaysia	100	100
Coralbell Pty Ltd ⁽⁷⁾	Investment holding company	Australia	100	100
Eastpoint Investments Limited ⁽¹⁾	Investment holding company	United Kingdom	100	100
Hermill Investments Pte Ltd	Investment holding company	Singapore	100	100
Hotel Holdings USA Inc ⁽⁵⁾	Investment holding company	U.S.A.	100	100
HPL (Campden) Pte Ltd	Investment holding company	Singapore	100	100
HPL (Eaton) Ltd ⁽¹⁾	Dormant	United Kingdom	100	100
HPL Gateway Investments Pte Ltd	Investment holding company	Singapore	100	100
HPL Hotels Pty Ltd ⁽⁷⁾	Provision of administrative services	Australia	100	100

NOTES TO FINANCIAL STATEMENTS

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34. SUBSIDIARIES (CONT'D)

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest	
			2015 %	2014 %
Held by subsidiaries of the Company				
HPL Investors Pte Ltd	Trading in quoted investments and share dealing	Singapore	100	100
HPL (Kensington) Pte Ltd	Investment holding company	Singapore	100	100
HPL (Mayfair) Pte Ltd	Investment holding company	Singapore	100	100
HPL (Paddington) Pte Ltd	Investment holding company	Singapore	100	100
HPL Park Avenue Inc. ⁽⁷⁾	Investment holding company	U.S.A.	100	100
HPL Properties Management Pte Ltd	Investment holding company	Singapore	100	100
HPL Properties (North Asia) Pte Ltd	Investment holding company	Singapore	100	100
HPL Residential Pte Ltd	Dormant	Singapore	100	100
HPL Resorts (Maldives) Private Limited ⁽²⁾	Hotelier and investment holding company	Maldives	70	70
HPL Retail Pte Ltd	Trading in quoted investments and investment holding	Singapore	100	100
HPL Services Pte Ltd	Privilege card services operations and investment holding company	Singapore	100	100
HPL (Southbank) Pte Ltd *	Investment holding company	Singapore	100	-
HPL (UK) Limited ⁽¹⁾	Provisions of information and services	United Kingdom	100	100
HPL (Whitechapel) Pte Ltd	Investment holding company	Singapore	100	100
Laem Ka Properties Co. Ltd ⁽³⁾	Hotelier and property developer	Thailand	90	90
Landaa Giraavaru Private Limited ⁽²⁾	Hotelier	Hong Kong / Maldives	70	70
Landea Properties Pte Ltd	Investment holding company	Singapore	100	100
Leisure Beach Private Limited ⁽²⁾	Developer and hotelier	Maldives	70	70
Leisure Frontiers Private Limited ⁽²⁾	Hotelier	Maldives	70	70
Leisure Holidays Private Limited ⁽²⁾	Developer and hotelier	Maldives	70	70
Leisure Horizon Private Limited ⁽²⁾	Developer and hotelier	Maldives	70	70

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34. SUBSIDIARIES (CONT'D)

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest	
			2015 %	2014 %
Held by subsidiaries of the Company				
Luxury Complex Pte Ltd	Investment holding company	Singapore	100	100
Luxury Hotels (1989) Pte Ltd	Hotelier	Singapore	100	100
Luxury Properties Pte Ltd	Investment holding company	Singapore	100	100
McMing Investments Pte Ltd	Investment holding company	Singapore	100	100
McShope Investments Pte Ltd	Investment holding company	Singapore	100	100
Minwyn Investments Pte Ltd	Investment holding company	Singapore	100	100
Moonstone Investments Pte Ltd	Investment holding company	Singapore	100	100
Nawarat Land Pte Ltd	Investment holding company	Singapore	70	70
NYC 55., Corp. ⁽⁴⁾	Hotelier	U.S.A.	100	100
Park Avenue Investments Ltd ⁽¹⁾	Investment holding company	United Kingdom	100	100
Pebble Bay (Thailand) Co. Ltd ⁽³⁾	Property development	Thailand	74	74
PT Amanda Arumdhani ⁽¹⁾	Hotelier	Indonesia	100	100
PT Amanda Citra ⁽⁷⁾	Dormant	Indonesia	100	100
PT Amanda Natha ⁽¹⁾	Hotelier	Indonesia	100	100
PT Amanda Pramudita ⁽¹⁾	Hotelier	Indonesia	100	100
PT Amanda Surya ⁽⁷⁾	Investment holding company	Indonesia	100	100
PT Bali Girikencana ⁽¹⁾	Hotelier	Indonesia	93.3	93.3
Quin Properties Pte Ltd	Investment holding company	Singapore	100	100
Seaside Hotel (Thailand) Co. Ltd ⁽¹⁾	Hotelier	Thailand	74	74
Seaside Properties (Thailand)Co. Ltd ⁽³⁾	Hotelier	Thailand	74	74
South West Pacific Investments Limited ⁽⁶⁾	Hotelier / Casino operator	Vanuatu	100	100

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34. SUBSIDIARIES (CONT'D)

Subsidiary	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest	
			2015 %	2014 %
Held by subsidiaries of the Company				
Sovereign Builders & Development Sdn Bhd ⁽¹⁾	Investment holding company	Malaysia	100	100
Straits Realty Co. Ltd ⁽¹⁾	Investment holding company	Thailand	74	74
Supreme Prospects Sdn Bhd ⁽¹⁾	Hotelier	Malaysia	100	100
Suseem Pty Ltd ⁽⁷⁾	Dormant	Australia	100	100
The Island Development Pte Ltd	Investment holding company	Singapore	100	100
Travel Bug Touring Pte Ltd	Investment holding company	Singapore	100	100
Wesclove Investments Pte Ltd	Investment holding company	Singapore	100	100
Xspand Investments Pte Ltd	Investment holding company	Singapore	100	100
Yarra Investments Pte Ltd	Property development and investment holding company	Singapore	100	100

All companies are audited by Deloitte & Touche LLP, Singapore except for the following:

⁽¹⁾ Audited by overseas practices of Deloitte Touche Tohmatsu Limited

⁽²⁾ Audited by overseas practices of KPMG International

⁽³⁾ Audited by overseas practices of Ernst & Young

⁽⁴⁾ Audited by overseas practices of BDO International Limited

⁽⁵⁾ Audited by Cohen & Schaeffer P.C.

⁽⁶⁾ Audited by Barrett & Partners

⁽⁷⁾ Not required to be audited by law in country of incorporation and subsidiary not considered material.

* Incorporated during the financial year.

** This company is considered a subsidiary as the Group is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company.

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34. SUBSIDIARIES (CONT'D)

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of Subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015	2014	2015	2014
				\$'000	\$'000	\$'000	\$'000
HPL Resorts (Maldives) Private Limited	Maldives	30%	30%	10,767	12,029	62,444	55,541
Individually immaterial subsidiaries with non-controlling interests				(1,702)	(1,613)	14,454	15,523
Total				9,065	10,416	76,898	71,064

Summarised financial information in respect of HPL Resorts (Maldives) Private Limited and its subsidiaries is set out below.

	2015 \$'000	2014 \$'000
Current assets	74,709	66,408
Non-current assets	336,150	301,796
Current liabilities	(46,691)	(138,101)
Non-current liabilities	(155,979)	(44,924)
Equity attributable to owners of the Company	145,745	129,638
Non-controlling interests	62,444	55,541
Revenue	196,955	199,496
Expenses	(161,064)	(159,456)
Profit for the year	35,891	40,040
Profit attributable to owners of the Company	25,124	28,011
Profit attributable to the non-controlling interests	10,767	12,029
Profit for the year	35,891	40,040
Other comprehensive income attributable to owners of the Company	8,803	5,507
Other comprehensive income attributable to the non-controlling interests	3,072	1,829
Other comprehensive income for the year	11,875	7,336
Total comprehensive income attributable to owners of the Company	33,927	33,518
Total comprehensive income attributable to the non-controlling interests	13,839	13,858
Total comprehensive income for the year	47,766	47,376
Dividends paid to non-controlling interests	8,268	5,524

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34. SUBSIDIARIES (CONT'D)

	2015 \$'000	2014 \$'000
Net cash inflow from operating activities	60,487	82,499
Net cash outflow from investing activities	(34,311)	(106,294)
Net cash (outflow) inflow from financing activities	(27,528)	26,070
Net cash (outflow) inflow	(1,352)	2,275

35. ASSOCIATES

Information relating to significant associates is as follows:

Associate	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest	
			2015 %	2014 %
Ankerite Pte Ltd ⁽²⁾	Property developer	Singapore	25	25
Leisure Ventures Pte Ltd ⁽¹⁾	Investment holding company	Singapore	50	50
Morganite Pte Ltd ⁽²⁾	Property developer	Singapore	22.5	22.5

⁽¹⁾ Audited by Deloitte & Touche LLP, Singapore

⁽²⁾ Audited by KPMG Singapore

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with FRSs adjusted by the Group for equity accounting purposes.

Ankerite Pte Ltd

	2015 \$'000	2014 \$'000
Current assets	366,066	450,164
Non-current assets	4,880	10,273
Current liabilities	(56,475)	(97,076)
Revenue	91,840	81,936
Profit for the year, representing total comprehensive income for the year	40,373	29,849
Dividends received from the associate during the year	21,940	15,500

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35. ASSOCIATES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Ankerite Pte Ltd recognised in the consolidated financial statements:

	2015 \$'000	2014 \$'000
Net assets of Ankerite Pte Ltd	314,471	363,361
Proportion of the Group's ownership interest	25%	25%
Intercompany eliminations	(2,072)	(2,447)
Carrying amount of the Group's interest	76,546	88,393

Lead Wealthy Investments Limited and its subsidiaries

	2015 \$'000	2014 \$'000
Current assets	*	272,365
Non-current assets	*	253,681
Current liabilities	*	(233,477)
Non-current liabilities	*	(346,568)
Revenue	*	64,284
Loss for the year	*	(35,408)
Other comprehensive loss for the year	*	(1,730)
Total comprehensive loss for the year	*	(37,138)

Reconciliation of the above summarised financial information to the carrying amount of the interest in LeadWealthy Investments Limited and its subsidiaries recognised in the consolidated financial statements:

	2015 \$'000	2014 \$'000
Net liabilities of Lead Wealthy Investments Limited and its subsidiaries	*	(53,999)
Proportion of the Group's ownership interest	*	20%
Intercompany eliminations	*	(4,298)
Shareholder's advances	*	37,569
Goodwill	*	423
Carrying amount of the Group's interest	*	22,894

* Lead Wealthy Investments Limited and its subsidiaries ("Lead Wealthy") are not considered as significant associates to the Group as at December 31, 2015. Accordingly, financial information of Lead Wealthy recognised in the consolidated financial statements are included in "Aggregate information of associates that are not individually material".

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

35. ASSOCIATES (CONT'D)

Leisure Ventures Pte Ltd and its subsidiaries

	2015 \$'000	2014 \$'000
Current assets	28,814	27,891
Non-current assets	200,917	199,944
Current liabilities	(19,865)	(70,219)
Non-current liabilities	(82,373)	(39,046)
Revenue	64,435	57,623
(Loss) Profit for the year	(895)	422
Other comprehensive income for the year	1,208	2,657
Total comprehensive income for the year	313	3,079

Reconciliation of the above summarised financial information to the carrying amount of the interest in Leisure Ventures Pte Ltd and its subsidiaries recognised in the consolidated financial statements:

	2015 \$'000	2014 \$'000
Net assets of Leisure Ventures Pte Ltd and its subsidiaries	127,493	118,570
Proportion of the Group's ownership interest	50%	50%
Carrying amount of the Group's interest	63,747	59,285

Morganite Pte Ltd

	2015 \$'000	2014 \$'000
Current assets	878,549	1,753,551
Non-current assets	36,718	37,600
Current liabilities	(909,692)	(711,970)
Non-current liabilities	-	(1,124,582)
Revenue	109,115	742,691
Profit for the year, representing total comprehensive income for the year	68,206	96,724

Reconciliation of the above summarised financial information to the carrying amount of the interest in Morganite Pte Ltd recognised in the consolidated financial statements:

	2015 \$'000	2014 \$'000
Net assets (liabilities) of Morganite Pte Ltd	5,575	(45,401)
Proportion of the Group's ownership interest	22.5%	22.5%
Intercompany eliminations	(3,785)	(4,263)
Shareholder's advances ⁽¹⁾	-	253,031
Carrying amount of the Group's interest	(2,531)	238,553

⁽¹⁾ There is an amount of approximately \$163,000,000 due from Morganite Pte Ltd classified as current asset as at December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

35. ASSOCIATES (CONT'D)

Aggregate information of associates that are not individually material

	2015 \$'000	2014 \$'000
The Group's share of profit	13,930	15,826
The Group's share of other comprehensive loss	(5,346)	(842)
The Group's share of total comprehensive income	8,584	14,984
Aggregate carrying amount of the Group's interests in these associates	117,251	106,072

36. JOINTLY CONTROLLED ENTITIES

Information relating to significant jointly controlled entities is as follows:

Jointly Controlled Entity	Principal Activity	Country of Incorporation / Place of Business	Group's Effective Interest	
			2015 %	2014 %
GC Campden Hill LLP	Property developer	United Kingdom	50	50
Great Western Enterprises Ltd	Property developer	United Kingdom	70	70
Ten Acre (Mayfair) Ltd	Investment holding company	United Kingdom	65	65

All companies are audited by overseas practices of Deloitte Touche Tohmatsu Limited.

Summarised financial information in respect of each of the Group's material jointly controlled entities is set out below. The summarised financial information below represents amounts shown in the jointly controlled entity's financial statements prepared in accordance with FRSs adjusted by the Group for equity accounting purposes.

GC Campden Hill LLP

	2015 \$'000	2014 \$'000
Current assets	609,656	469,815
Current liabilities	(94,743)	(22,752)
Non-current liabilities	(237,568)	(232,417)
Revenue	84	84
Profit for the year	135	131
Other comprehensive income (loss) for the year	2,333	(1,374)
Total comprehensive income (loss) for the year	2,468	(1,243)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

36. JOINTLY CONTROLLED ENTITIES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in GC Campden Hill LLP recognised in the consolidated financial statements:

	2015 \$'000	2014 \$'000
Net assets of GC Campden Hill LLP	277,345	214,646
Proportion of the Group's ownership interest	50%	50%
Carrying amount of the Group's interest	138,673	107,323

Great Western Enterprises Ltd and its subsidiary

	2015 \$'000	2014 \$'000
Current assets	301,302	293,370
Current liabilities	(179,768)	(182,920)
Non-current liabilities	(78,794)	(111,854)
Revenue	3,153	-
Loss for the year	(1,388)	(728)
Other comprehensive (loss) income for the year	(22)	22
Total comprehensive loss for the year	(1,410)	(706)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Great Western Enterprises Ltd and its subsidiary recognised in the consolidated financial statements:

	2015 \$'000	2014 \$'000
Net assets (liabilities) of Great Western Enterprises Ltd and its subsidiary	42,740	(1,404)
Proportion of the Group's ownership interest	70%	70%
Intercompany eliminations	(221)	-
Shareholder's advances	55,156	122,957
Carrying amount of the Group's interest	84,853	121,974

Ten Acre (Mayfair) Ltd and its subsidiaries

	2015 \$'000	2014 \$'000
Current assets	377,449	275,356
Current liabilities	(78,033)	(40,354)
Non-current liabilities	(199,133)	(151,287)
Revenue	21	42
Loss for the year	(196)	(717)
Other comprehensive income (loss) for the year	1,829	(1,390)
Total comprehensive income (loss) for the year	1,633	(2,107)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2015

36. JOINTLY CONTROLLED ENTITIES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Ten Acre (Mayfair) Ltd and its subsidiaries recognised in the consolidated financial statements:

	2015 \$'000	2014 \$'000
Net assets of Ten Acre (Mayfair) Ltd and its subsidiaries	100,283	83,715
Proportion of the Group's ownership interest	65%	65%
Intercompany eliminations	(8,077)	-
Shareholder's advances	42,786	36,839
Carrying amount of the Group's interest	99,893	91,254

Aggregate information of jointly controlled entities that are not individually material

	2015 \$'000	2014 \$'000
The Group's share of loss	(1,665)	(4,280)
The Group's share of other comprehensive (loss) income	(7,172)	49
The Group's share of total comprehensive loss	(8,837)	(4,231)
Aggregate carrying amount of the Group's interests in these jointly controlled entities	7,157	6,638

37. SUBSEQUENT EVENTS

Subsequent to the end of the financial year and up to the date of authorisation of the financial statements:

- (a) the Company granted 2,400,000 share options pursuant to the Hotel Properties Employee Share Option Scheme 2010. The exercise price of the share options granted is \$2.82.
- (b) the Group acquired 50% interest in a newly formed company, VN NH Holdings Pte. Ltd., which has entered into a sale and purchase agreement to acquire 100% of the equity interest in American Indochina Resorts Limited ("AIRL") for a purchase consideration of approximately US\$65 million. AIRL has interest in an existing 5-star beachfront resort in Vietnam.

**UNAUDITED FINANCIAL STATEMENTS OF THE ISSUER AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The information in this Appendix III has been reproduced from the Full Year Financial Statements and Dividend Announcement of the Issuer for the financial year ended 31 December 2016 and has not been specifically prepared for inclusion in this Information Memorandum.



HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

Full Year Financial Statements and Dividend Announcement

1(a)(i) Income Statement

	GROUP \$'000	
	Year ended Dec 31, 2016	Year ended Dec 31, 2015
Revenue	577,616	579,541
Cost of sales	(436,135)	(417,809)
Gross profit	141,481	161,732
Other operating income	62,044	22,257
Administrative expenses	(68,768)	(67,524)
Other operating expenses	(1,237)	(1,842)
Finance costs	(30,317)	(34,907)
Share of results of associates and jointly controlled entities	34,650	36,225
Profit before income tax and fair value changes in investment properties	137,853	115,941
Fair value loss in investment properties	(2,350)	-
Profit before income tax	135,503	115,941
Income tax expense	(26,944)	(25,210)
Profit after income tax	108,559	90,731
Attributable to:		
Shareholders of the Company	103,452	81,666
Non-controlling interests	5,107	9,065
	108,559	90,731

1(a)(ii) Notes to the income statement:

	GROUP \$'000	
	Year ended Dec 31, 2016	Year ended Dec 31, 2015
Investment income*	1,947	1,493
Other income including interest income*	4,947	5,683
Depreciation and amortisation	(54,465)	(51,764)
(Allowance for) Write-back of doubtful trade receivables*	(217)	32
Fair value gain in held-for-trading investments*	1,162	1,017
Foreign exchange gain*	1,652	2,669
Adjustment for under provision of tax in respect of prior years	(2,676)	(2,964)
Write-back of impairment of available-for-sale investments*	147	29
Gain on disposal of associates*	-	10,956
Gain on disposal of property, plant and equipment*	41,272	341
Insurance proceeds*	10,876	-

Note:

* Included in other operating income (expenses)

1(a)(iii) Statement of Comprehensive Income

	GROUP \$'000	
	Year ended Dec 31, 2016	Year ended Dec 31, 2015
Profit after income tax	108,559	90,731
Other comprehensive income (loss) (net of tax):		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of defined benefit obligation	(224)	(146)
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translating foreign operations	57,574	5,381
Decrease in other reserves	(7,967)	(2,250)
Share of other comprehensive loss of associates and jointly controlled entities	(36,123)	(9,574)
	13,484	(6,443)
Other comprehensive income (loss) for the year, net of tax	13,260	(6,589)
Total comprehensive income	121,819	84,142
Attributable to:		
Shareholders of the Company	114,753	75,134
Non-controlling interests	7,066	9,008
	121,819	84,142

1(b)(i) Statements of Financial Position

	GROUP \$'000		COMPANY \$'000	
	Dec 31, 2016	Dec 31, 2015	Dec 31, 2016	Dec 31, 2015
ASSETS				
Current assets:				
Cash and bank balances	117,179	158,827	18,187	84,453
Held-for-trading investments ⁽¹⁾	806	-	-	-
Trade and other receivables ⁽²⁾	111,387	57,152	2,353	2,542
Amount due from associates and jointly controlled entities	194,382	199,625	5,511	5,751
Amount due from subsidiaries	-	-	902,429	889,486
Inventories	9,422	9,131	184	239
Completed properties held for sale ⁽³⁾	144,984	207,936	-	-
Total current assets	578,160	632,671	928,664	982,471
Non-current assets:				
Associates and jointly controlled entities	590,339	585,589	-	-
Subsidiaries	-	-	450,860	454,781
Available-for-sale investments	57,025	66,540	-	-
Property, plant and equipment	1,245,447	1,195,059	228,565	229,620
Investment properties	686,348	688,698	-	-
Derivative financial instruments ⁽⁴⁾	12,489	-	12,489	-
Deferred tax assets	4,236	3,723	-	-
Intangible assets	6,160	6,185	-	-
Total non-current assets	2,602,044	2,545,794	691,914	684,401
Total assets	3,180,204	3,178,465	1,620,578	1,666,872
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term borrowings	282,220	231,585	24,992	99,983
Trade and other payables	126,829	120,575	24,604	19,178
Amount due to subsidiaries	-	-	44,456	44,467
Income tax payable	17,511	11,337	-	68
Total current liabilities	426,560	363,497	94,052	163,696
Non-current liabilities:				
Advances from subsidiaries	-	-	22,980	22,094
Derivative financial instruments ⁽⁴⁾	-	4,530	-	4,530
Long-term borrowings	710,087	847,003	455,503	430,265
Deferred tax liabilities	15,221	14,151	1,004	1,016
Total non-current liabilities	725,308	865,684	479,487	457,905
Share capital and reserves:				
Share capital	719,693	717,895	719,693	717,895
Reserves	1,073,536	1,006,144	178,999	179,029
Equity attributable to shareholders of the Company	1,793,229	1,724,039	898,692	896,924
Perpetual capital securities	148,347	148,347	148,347	148,347
	1,941,576	1,872,386	1,047,039	1,045,271
Non-controlling interests	86,760	76,898	-	-
Total equity	2,028,336	1,949,284	1,047,039	1,045,271
Total liabilities and equity	3,180,204	3,178,465	1,620,578	1,666,872

Note:

- (1) Acquisition of held-for-trading investments during the year.
- (2) Increase mainly from purchasers of completed properties held for sale.
- (3) Sale during the year.
- (4) The Group entered into cross currency swaps during the previous financial year to manage its exposure to exchange rate movements on its investments. This represents the estimated fair value of the swaps as at reporting date.

1(b)(ii) Aggregate Amount of Group's Borrowings and Debt Securities

Amount repayable in one year or less, or on demand

As at Dec 31, 2016		As at Dec 31, 2015	
Secured	Unsecured	Secured	Unsecured
\$257,228,000	\$24,992,000	\$131,602,000	\$99,983,000

Amount repayable after one year

As at Dec 31, 2016		As at Dec 31, 2015	
Secured	Unsecured	Secured	Unsecured
\$283,505,000	\$426,582,000	\$432,799,000	\$414,204,000

Details of any collateral

The above are secured by legal mortgages on properties of the Company and some subsidiaries, fixed and floating charges on assets of the Company and some subsidiaries and pledge of shares of certain subsidiaries.

1(c) Consolidated Statement of Cash Flows

	Year ended Dec 31, 2016 \$'000	Year ended Dec 31, 2015 \$'000
Cash flows from operating activities:		
Profit before income tax and share of results of associates and jointly controlled entities	100,853	79,716
Adjustments for:		
Amortisation of intangible assets	332	330
Depreciation expense	54,133	51,434
Share-based payment expense	5,248	7,167
Write-back of impairment of available-for-sale investments	(147)	(29)
Fair value loss in investment properties	2,350	-
Gain on disposal of property, plant and equipment	(41,272)	(341)
Gain on disposal of associates	-	(10,956)
Finance costs	30,317	34,907
Interest income	(2,985)	(1,566)
Dividend income	(1,947)	(1,493)
Profit before working capital changes	146,882	159,169
Trade and other payables	3,024	(13,000)
Completed properties held for sale	63,260	53,382
Receivables and prepayments	(52,853)	5,359
Held-for-trading investments	(806)	9,495
Inventories	124	1,374
Cash generated from operations	159,631	215,779
Dividend received	1,947	1,493
Income tax paid	(20,490)	(41,571)
Net cash from operating activities	141,088	175,701
Cash flows (used in) from investing activities:		
Acquisition of interest in a subsidiary (see Note A below)	(24,071)	-
Additional property, plant and equipment	(79,987)	(60,894)
Additional available-for-sale investment	(6,305)	(59,165)
Additional intangible asset	-	(207)
Net (investment in) repayment from associates and jointly controlled entities	(14,287)	111,888
Proceeds from disposal of available-for-sale investment	7,999	-
Proceeds from disposal of associates	-	29,676
Proceeds from disposal of property, plant and equipment	58,755	1,366
Cash (used in) from investing activities	(57,896)	22,664

1(c) Consolidated Statement of Cash Flows (cont'd)

	Year ended Dec 31, 2016 \$'000	Year ended Dec 31, 2015 \$'000
Cash flows used in financing activities:		
Interest received	2,985	1,566
Finance costs paid	(29,491)	(33,836)
Dividend paid	(41,599)	(51,963)
Distribution to perpetual capital securities holders	(9,212)	(9,188)
Non-controlling shareholders	1,961	(5,030)
Additional borrowings	215,463	255,080
Repayment of borrowings	(266,697)	(336,688)
Decrease in deposits under pledge to bank	-	5
Proceeds from issue of shares	-	800
Cash used in financing activities	(126,590)	(179,254)
Net (decrease) increase in cash and cash equivalents	(43,398)	19,111
Cash and cash equivalents at beginning of year	155,107	133,103
Effect of exchange rate changes on cash balances held in foreign currencies	1,662	2,893
Cash and cash equivalents at end of year	113,371	155,107
Note A : Summary of cash outflow arising from acquisition of interest in a subsidiary		
Current assets	853	-
Current liabilities	(1,089)	-
Net current liabilities	(236)	-
Other non-current assets	24,507	-
Net assets acquired	24,271	-
Goodwill	274	-
Purchase consideration	24,545	-
Cash of subsidiary acquired	(474)	-
Cash outflow arising from acquisition of interest in a subsidiary	24,071	-

Cash and cash equivalents at end of year

The cash and cash equivalents as at Dec 31, 2016, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$3,808,000.

1(d)(i) Statement of Changes in Equity

	Share capital \$'000	Retained profits \$'000	Other reserves* \$'000	Share-holders' equity \$'000	Perpetual capital securities \$'000	Subtotal \$'000	Non-controlling interests \$'000	Total equity \$'000
GROUP								
Balance as at Jan 1, 2015	715,415	887,165	99,509	1,702,089	148,347	1,850,436	71,064	1,921,500
Total comprehensive income (loss) for the year								
Profit for the year	-	81,666	-	81,666	-	81,666	9,065	90,731
Other comprehensive (loss) for the year	-	(138)	(6,394)	(6,532)	-	(6,532)	(57)	(6,589)
Total	-	81,528	(6,394)	75,134	-	75,134	9,008	84,142
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	7,167	7,167	-	7,167	-	7,167
Dividends	-	(51,963)	-	(51,963)	-	(51,963)	-	(51,963)
Net movement during the year	-	-	-	-	-	-	(3,174)	(3,174)
Issue of shares	2,480	-	(1,680)	800	-	800	-	800
Total	2,480	(51,963)	5,487	(43,996)	-	(43,996)	(3,174)	(47,170)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at Dec 31, 2015	717,895	907,542	98,602	1,724,039	148,347	1,872,386	76,898	1,949,284
Total comprehensive income for the year								
Profit for the year	-	103,452	-	103,452	-	103,452	5,107	108,559
Other comprehensive income (loss) for the year	-	(216)	11,517	11,301	-	11,301	1,959	13,260
Total	-	103,236	11,517	114,753	-	114,753	7,066	121,819
Transactions with owners, recognised directly in equity								
Recognition of share-based payments	-	-	5,248	5,248	-	5,248	-	5,248
Dividends	-	(41,599)	-	(41,599)	-	(41,599)	-	(41,599)
Net movement during the year	-	-	-	-	-	-	2,796	2,796
Issue of shares	1,798	-	(1,798)	-	-	-	-	-
Total	1,798	(41,599)	3,450	(36,351)	-	(36,351)	2,796	(33,555)
Distribution to perpetual capital securities holders	-	(9,212)	-	(9,212)	-	(9,212)	-	(9,212)
Balance as at Dec 31, 2016	719,693	959,967	113,569	1,793,229	148,347	1,941,576	86,760	2,028,336

* Includes asset revaluation reserve, exchange fluctuation reserve, hedge reserve, option reserve and other capital reserve.

1(d)(i) Statement of Changes in Equity (cont'd)

	Share capital \$'000	Retained profits \$'000	Other reserves** \$'000	Share-holders' equity \$'000	Perpetual capital securities \$'000	Total equity \$'000
COMPANY						
Balance as at Jan 1, 2015	715,415	71,015	113,082	899,512	148,347	1,047,859
Total comprehensive income (loss) for the year						
Profit for the year	-	52,096	-	52,096	-	52,096
Other comprehensive loss for the year	-	-	(1,500)	(1,500)	-	(1,500)
Total	-	52,096	(1,500)	50,596	-	50,596
Transactions with owners, recognised directly in equity						
Recognition of share-based payments	-	-	7,167	7,167	-	7,167
Dividends	-	(51,963)	-	(51,963)	-	(51,963)
Issue of shares	2,480	-	(1,680)	800	-	800
Total	2,480	(51,963)	5,487	(43,996)	-	(43,996)
Distribution to perpetual capital securities holders	-	(9,188)	-	(9,188)	-	(9,188)
Balance as at Dec 31, 2015	717,895	61,960	117,069	896,924	148,347	1,045,271
Total comprehensive income for the year						
Profit for the year	-	47,274	-	47,274	-	47,274
Other comprehensive income for the year	-	-	57	57	-	57
Total	-	47,274	57	47,331	-	47,331
Transactions with owners, recognised directly in equity						
Recognition of share-based payments	-	-	5,248	5,248	-	5,248
Dividends	-	(41,599)	-	(41,599)	-	(41,599)
Issue of shares	1,798	-	(1,798)	-	-	-
Total	1,798	(41,599)	3,450	(36,351)	-	(36,351)
Distribution to perpetual capital securities holders	-	(9,212)	-	(9,212)	-	(9,212)
Balance as at Dec 31, 2016	719,693	58,423	120,576	898,692	148,347	1,047,039

** Includes asset revaluation reserve, hedge reserve and option reserve.

1(d)(ii) Details of Any Changes in Company's Issued Share Capital

The Company did not issue any new share since the end of the previous period reported on.

As at Dec 31, 2016, the number of outstanding share options under the Company's Share Option Schemes was 13,045,000 (as at Dec 31, 2015: 10,645,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 1,407,600 (as at Dec 31, 2015: 1,759,500).

1(d)(iii) Total Number of Issued Shares

	Dec 31, 2016	Dec 31, 2015
Total number of issued shares excluding treasury shares	520,082,651	519,630,751

1(d)(iv) Statement Showing All Sales, Transfers, Disposal, Cancellation and/or Use of Treasury Shares

Not applicable. There is no treasury share as at the end of the current financial year reported on.

2. Audit Statement

The figures have not been audited or reviewed.

3. Auditors' Report

Not applicable.

4. Changes in Accounting Policies

The Group and Company have followed the same accounting policies and methods of computation as in the most recently audited annual financial statements except as explained in paragraph 5 below.

5. Reasons for and Effect of Changes in Accounting Policies

The Group has adopted all relevant revised Singapore Financial Reporting Standards ("FRS") and amendments that are mandatory for financial years beginning on or after January 1, 2016. The adoption of these revised FRSs and amendments has no significant impact to the Group.

6. Earnings Per Ordinary Share

	Year ended Dec 31, 2016	Year ended Dec 31, 2015
Based on the weighted average number of ordinary shares in issue	18.13 cents	13.95 cents
On a fully diluted basis	18.09 cents	13.91 cents

Earnings per ordinary share is calculated based on net profit attributable to ordinary shareholders after deducting provision for distribution to perpetual capital securities holders.

7. Net Asset Value

	Dec 31, 2016	Dec 31, 2015
GROUP	\$3.45	\$3.32
COMPANY	\$1.73	\$1.73

Net asset value per ordinary share is calculated based on net assets excluding perpetual capital securities that is attributable to the ordinary shareholders divided by the number of issued shares of the Company.

8. Review of Performance

For the year ended December 31, 2016, the Group recorded a Revenue of \$577.6 million, a slight decrease from the \$579.5 million recorded last year. This was due to lower contribution from the hotels and resorts, particularly those in the Maldives, which were affected by softer demand and on-going refurbishment works.

During the year under review, the Group recorded a gain on disposal of two plots of land in Bangkok, Thailand, increasing Other operating income from \$22.3m last year to \$62.0 million. The Group's share of results of associates and jointly controlled entities decreased from \$36.2 million to \$34.7 million mainly due to lower contributions from the Interlace and d'Leedon condominium developments in Singapore. Finance costs for the year decreased by 13% from \$34.9 million to \$30.3 million as a result of lower borrowings and interest rates.

Group profit before income tax and fair value changes in investment properties for the year ended December 31, 2016 was \$137.9 million compared to \$115.9 million last year. After adjusting for fair value changes, income tax and non-controlling interests, Group net profit attributable to shareholders for the year ended December 31, 2016 was \$103.5 million, an increase of 27% from \$81.7 million reported last year.

9. Variance from Previous Forecast or Prospect Statement

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Looking ahead, challenges remain, with the continuing uncertainties in the global economic and political environment. Nevertheless, our hotels and resorts are expected to continue to provide a recurring income stream for the Group.

On the property front, the construction of the Holland Park Villas and Burlington Gate developments in London, which the Group has 50% and 65% interest in, are expected to be completed later this year.

11. Dividend

(a) Current Financial Period Reported On

The Board of Directors has recommended a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share, and a one-tier tax exempt special dividend of 4 cents per ordinary share, in respect of the current financial year reported on. Payment of the said dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

(b) Corresponding Period of the Immediately Preceding Financial Year

The Company declared a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share and a one-tier tax exempt special dividend of 4 cents per ordinary share in respect of the immediately preceding financial year.

(c) Date payable

Will be announced at a later date.

(d) Books closure date

Notice will be given at a later date of the date of closure of the transfer books and register of members.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from shareholders for IPTs.

Name of Interested Person	Aggregate value of all IPT during the financial year ended Dec 31, 2016 (excluding transactions below \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below \$100,000) \$'000
Associates* of Mr Ong Beng Seng / Mr David Fu Kuo Chen		
- Rental income	10,019	-
- Management fee income	1,238	-
- Management fee expense	847	-
- Equity contribution	970	-

Note:

* "Associate" in relation to a director, chief executive officer or controlling shareholder means

- his immediately family;
- the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

14. Segmental Revenue and Results

Information by business segment

Year ended December 31, 2016

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	463,780	113,830	6		577,616
Inter-segment sales		412		(412)	-
Total revenue	463,780	114,242	6	(412)	577,616
RESULTS					
Earnings before interest and tax	64,397	63,436	2,702		130,535
Finance costs					(30,317)
Interest income					2,985
Share of results of associates and jointly controlled entities	23,441	11,910	(701)		34,650
Profit before fair value changes					137,853
Fair value changes in investment properties		(2,350)			(2,350)
Profit before income tax					135,503
Income tax expense					(26,944)
Non-controlling interests					(5,107)
Profit attributable to shareholders of the Company					103,452

Year ended December 31, 2015

	Hotels \$'000	Properties \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
REVENUE					
External sales	479,363	100,172	6		579,541
Inter-segment sales		413		(413)	-
Total revenue	479,363	100,585	6	(413)	579,541
RESULTS					
Earnings before interest and tax	78,895	30,761	3,401		113,057
Finance costs					(34,907)
Interest income					1,566
Share of results of associates and jointly controlled entities	2,646	33,250	329		36,225
Profit before fair value changes					115,941
Fair value changes in investment properties		-			-
Profit before income tax					115,941
Income tax expense					(25,210)
Non-controlling interests					(9,065)
Profit attributable to shareholders of the Company					81,666

15. Review of Performance by Business Segments

Please refer to item 8 above.

16. Breakdown of Sales and Operating Profit

	Latest Financial Year \$'000 Group	Previous Financial Year \$'000 Group	% increase/(decrease) Group
(a) Sales reported for first half year	273,350	322,655	(15.28)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	32,256	32,421	(0.51)
(c) Sales reported for second half year	304,266	256,886	18.44
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	78,653	58,310	34.89

** excludes fair value gain (loss) on investment properties.

17. Breakdown of Total Annual Dividend

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	41,607	41,599
Preference	-	-
Total:	41,607	41,599

The dividend amounts for the latest full year are estimated based on the number of issued shares as at December 31, 2016. The actual dividend payment can only be determined on books closure date.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual

There are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

19. Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

BY ORDER OF THE BOARD

Lo Swee Oi
Company Secretary
February 27, 2017

REGISTERED OFFICE OF THE ISSUER

50 Cuscaden Road
#08-01 HPL House
Singapore 249724

ARRANGER AND DEALER

Oversea-Chinese Banking Corporation Limited

63 Chulia Street
#03-05 OCBC Centre East
Singapore 049514

TRUSTEE

The Bank of New York Mellon, Singapore Branch

One Temasek Avenue
#03-01 Millenia Tower
Singapore 039192

**ISSUING AND PAYING AGENT, CDP REGISTRAR
AND CDP TRANSFER AGENT**

The Bank of New York Mellon, Singapore Branch

One Temasek Avenue
#03-01 Millenia Tower
Singapore 039192

**NON-CDP PAYING AGENT AND CALCULATION
AGENT**

The Bank of New York Mellon, London Branch

One Canada Square
London E14 5AL
United Kingdom

**NON-CDP REGISTRAR AND NON-CDP TRANSFER
AGENT**

The Bank of New York Mellon (Luxembourg) S.A.

Vertigo Building-Polaris
2-4, rue. Eugène Ruppert
L-2453 Luxembourg

AUDITORS

Deloitte & Touche LLP

6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809

LEGAL ADVISERS

To the Issuer

Drew & Napier LLC

10 Collyer Quay
#10-01 Ocean Financial Centre
Singapore 049315

To the Arranger and the Dealer

Allen & Gledhill LLP

One Marina Boulevard #28-00
Singapore 018989

To the Trustee, the Issuing and Paying Agent, the Non-CDP Paying Agent, the Calculation 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