

IMPORTANT NOTICE

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

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

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of OUE Treasury Pte. Ltd., OUE Limited, CIMB Bank Berhad, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Oversea-Chinese Banking Corporation Limited or HSBC Institutional Trust Services (Singapore) 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 discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

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

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

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission or in the attached information memorandum constitutes an offer or an invitation by or on behalf of OUE Treasury Pte. Ltd., OUE Limited, CIMB Bank Berhad, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Oversea-Chinese Banking Corporation Limited or HSBC Institutional Trust Services (Singapore) 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 (as defined in Regulation S under the Securities Act).

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

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached 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 subscribe for or purchase any of the securities described therein.**

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

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

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

INFORMATION MEMORANDUM DATED 6 MAY 2021

OUE TREASURY PTE. LTD.

(Incorporated in the Republic of Singapore on 4 November 2016)
(Company Registration No. 201630318D)

S\$3,000,000,000
Multicurrency Debt Issuance Programme
(the “Programme”)

unconditionally and irrevocably guaranteed by

OUE

OUE LIMITED

(Incorporated in the Republic of Singapore on 8 February 1964)
(Company Registration No. 196400050E)

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the “MAS”) under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). 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 OUE Treasury Pte. Ltd. (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 any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the 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 or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA, except:
- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
 - (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 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the “SFA” is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

All sums payable in respect of the Securities issued from time to time by the Issuer are unconditionally and irrevocably guaranteed by OUE Limited (the “Guarantor”).

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) in connection with the Programme and application will be made for the listing and quotation of any Securities that may be issued under the Programme and which are agreed at or prior to the time of the issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted for listing and quotation on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of any Securities on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries (if any), their respective associated companies (if any), the Programme or such Securities.

THE SECURITIES AND THE GUARANTEE (AS DEFINED HEREIN) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT (AS DEFINED HEREIN) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY INCLUDE BEARER SECURITIES (AS DEFINED HEREIN) THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED, SOLD OR, IN THE CASE OF BEARER SECURITIES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

Arrangers



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NOTICE

CIMB Bank Berhad, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited (each an “**Arranger**” and together, the “**Arrangers**”) have 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 Securities denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Securities issued by the Issuer will be unconditionally and irrevocably guaranteed by the Guarantor.

This Information Memorandum contains information with regard to the Issuer, the Guarantor, their respective subsidiaries (if any) and associated companies (if any), the Programme, the Securities and the Guarantee. Each of the Issuer and the Guarantor, 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, and that there are no other facts the omission of which in the context of the Programme or the issue and offering 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 CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV (“**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 may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or a common depositary for Euroclear and 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 herein) shall be S\$3,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be

increased pursuant to the terms and upon the conditions set out in the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, either of the Arrangers, any of the Dealers or HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, the Guarantor or any of their respective subsidiaries (if any) or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) which may be 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 Guarantor, either of the Arrangers, any of the Dealers or the Trustee to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information (or any part thereof) and the offer of the Securities in certain jurisdictions may be prohibited or restricted by law. Persons who distribute or publish this Information Memorandum (or any part thereof) or any such other document or information or into whose possession this Information Memorandum (or any part thereof) or any such other document or information comes are required to inform themselves about and to observe any such prohibitions and restrictions and all applicable laws, orders, rules and regulations.

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

Neither this Information Memorandum nor any other document or information (or any part thereof) which may be delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, either of the Arrangers, any of the Dealers or the Trustee 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 offer 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 to whom offers may be made pursuant to Section 274 and/or Section 275 of the SFA (or such equivalent terms in the relevant jurisdictions where the Securities are subscribed for) and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof (including copies thereof) in any manner whatsoever.

Neither the issue nor 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, the Guarantor, any of their respective subsidiaries (if any) 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 Arrangers, the Dealers and the Trustee have not separately verified the information contained in this Information Memorandum. None of the Arrangers, any of the Dealers, the Trustee or any of their respective officers, employees or agents is making any representation, warranty or undertaking expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness, prospects, financial condition or otherwise of the Issuer, the Guarantor or their respective subsidiaries (if any) or associated companies (if any). Further, none of the Arrangers, any of the Dealers or the Trustee makes any representation or warranty and no responsibility or liability is accepted by the Arrangers, the Dealers or the Trustee as to the Issuer, the Guarantor or their respective subsidiaries (if any) 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/or the documents which are referred to in or incorporated by reference in, and form part of this Information Memorandum or any other information provided by the Issuer, the Guarantor or any of their respective officers, employees or agents in connection with the Securities or their distribution.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, either of the Arrangers, any of the Dealers or the Trustee that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective subscriber or purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition, affairs and the creditworthiness of the Issuer, the Guarantor and their respective subsidiaries (if any) 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, the Guarantor and their respective subsidiaries (if any) and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arrangers, any of the Dealers, the Trustee or any of their respective officers, employees or agents shall be held responsible or liable for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or any 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 any 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 any part thereof).

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

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 Guarantor, either Arranger, any of the Dealers or the Trustee) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables and charts included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section "*Subscription, Purchase and Distribution*" 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 furnished 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, including this Information Memorandum, in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

Persons proposing to subscribe for or purchase any of the Securities should consult their own legal, financial, tax and other advisers before subscribing for or purchasing the Securities.

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

In connection with the issue of any Tranche or Series of Securities, one or more Dealer(s) named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising

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

Notification under Section 309B of the SFA

Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II product governance/target market

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

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

UK MiFIR product governance/target market

The Pricing Supplement in respect of any Securities may include a legend titled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Prohibition of Sales to EEA Retail Investors

If the Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

Prohibition of Sales to UK Retail Investors

If the Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

DOCUMENTS INCORPORATED BY REFERENCE

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: (i) the annual reports of the Guarantor, (ii) the audited or unaudited financial statements (consolidated in the case of the Guarantor) of the Issuer or the Guarantor which are made available on SGXNet by the Issuer or the Guarantor, and (iii) any supplement or amendment to this Information Memorandum issued by the Issuer (including each relevant Pricing Supplement) (together, the **"Incorporated Documents"**).

This Information Memorandum is to be read in conjunction with all relevant Incorporated Documents 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 an Incorporated Document 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 a subsequent Incorporated Document 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 the Incorporated Documents will be made available on the website of the SGX-ST at www.sgx.com.

FORWARD-LOOKING STATEMENTS

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

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

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

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

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale 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, the Guarantor 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 Guarantor, the Arrangers, the Dealers and the Trustee 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:

- “ADRPL”** : Auric Digital Retail Pte. Ltd.
- “Agency Agreement”** : The agency agreement dated 30 November 2016 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, as issuing and paying agent, CDP transfer agent and CDP registrar, (4) The Hongkong and Shanghai Banking Corporation Limited, as non-CDP paying agent, non-CDP transfer agent and non-CDP registrar, and (5) the Trustee, as trustee, as supplemented pursuant to a supplemental agency agreement dated 6 May 2021 made between the same parties and as further amended, varied or supplemented from time to time.
- “Arrangers”** : CIMB Bank Berhad, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited.
- “BCA”** : The Building and Construction Authority of Singapore.
- “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”** : In relation to any Series of Securities, the person appointed as calculation agent for that Series and as specified in the applicable Pricing Supplement.
- “CBD”** : Singapore Central Business District.
- “CDP” or “Depository”** : The Central Depository (Pte) Limited.
- “CDP Registrar”** : The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
- “CDP Transfer Agent”** : The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
- “Certificate”** : A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the Conditions of the Notes or the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.

“China” or “PRC”	:	The People’s Republic of China.
“Clearstream, Luxembourg”	:	Clearstream Banking S.A., and includes a reference to its successors and permitted assigns.
“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”	:	<p>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.</p> <p>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 of the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Perpetual Securities” as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.</p>
“Couponholders”	:	The holders of the Coupons.
“Coupons”	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
“CPCA”	:	Crowne Plaza Changi Airport.
“CPEX”	:	The 10-storey extension building to CPCA.
“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 or the Guarantor (as the context may require) 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.
“Euroclear”	: Euroclear Bank SA/NV, and includes a reference to its successors and permitted assigns.
“FY”	: Financial year ended 31 December.
“F&B”	: Food and beverage.
“First REIT”	: First Real Estate Investment Trust.
“Gemdale”	: Gemdale Properties and Investment Corporation Limited.
“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 Guarantor and its subsidiaries.
“Guarantee”	: The guarantee and indemnity of the Guarantor contained in the Trust Deed and shall, where the context so requires, mean either the Senior Guarantee or the Subordinated Guarantee.
“Guarantor”	: OUE Limited.
“Indonesian Rupiah” or “IDR”	: The lawful currency of Indonesia.
“IRAS”	: Inland Revenue Authority of Singapore.
“Issuer”	: OUE Treasury Pte. Ltd.
“Issuing and Paying Agent”	: The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
“ITA”	: Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
“Japanese Yen” or “Yen”	: The lawful currency of Japan.
“Latest Practicable Date”	: 30 April 2021.
“Lippo Plaza Property”	: The 91.2% share of strata ownership in Lippo Plaza held by OUE C-REIT.
“MAS”	: The Monetary Authority of Singapore.
“Matahari”	: PT Matahari Department Store Tbk.
“Merger”	: The merger of OUE C-REIT and OUE H-Trust which was completed in September 2019.
“MICE”	: Meetings, incentives, conferences and exhibitions.
“MRT”	: Mass Rapid Transit.
“Myanmar Group”	: The Group’s joint ventures in Myanmar through OUELH, collectively.
“MYR”	: The lawful currency of Malaysia.
“Non-CDP Paying Agent”	: The Hongkong and Shanghai Banking Corporation Limited.
“Non-CDP Registrar”	: The Hongkong and Shanghai Banking Corporation Limited.

“Non-CDP Transfer Agent”	: The Hongkong and Shanghai Banking Corporation Limited.
“Noteholders”	: The holders of the Notes.
“Notes”	: The notes 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).
“OUBC”	: OUB Centre Limited.
“OUELH”	: OUE Lippo Healthcare Limited.
“OUELH Group”	: OUELH and its subsidiaries.
“OUE Bayfront Property”	: OUE Bayfront, OUE Tower and OUE Link, collectively.
“OUE C-REIT”	: OUE Commercial Real Estate Investment Trust.
“OUE H-REIT”	: OUE Hospitality Real Estate Investment Trust (now known as OUE Hospitality Sub-Trust).
“OUE H-Trust”	: OUE Hospitality Trust.
“OUE Restaurants”	: OUE Restaurants Pte. Ltd.
“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, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or Series, as the case may be.
“Programme”	: The S\$3,000,000,000 Multicurrency Debt Issuance Programme of the Issuer established by the Issuer.
“Programme Agreement”	: The programme agreement dated 30 November 2016 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited, as arrangers, and (4) The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited, as dealers, as supplemented pursuant to a supplemental programme agreement dated 6 May 2021 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) the Arrangers, as arrangers, and (4) CIMB Bank Berhad, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited, as dealers and as further amended, varied or supplemented from time to time.

“Registered Securities”	: Securities in registered form.
“REIT”	: Real estate investment trust.
“Renminbi” or “RMB”	: The lawful currency of the People’s Republic of China.
“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 Guarantee”	: The Guarantee by the Guarantor of the Notes, the Senior Perpetual Securities and the Coupons relating thereto on a senior basis.
“Senior Perpetual Securities”	: Perpetual Securities which are 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.
“Shares”	: Ordinary shares in the capital of the Guarantor.
“SIBOR”	: Singapore Interbank Offered Rate.
“SME”	: Small medium enterprise.
“Subordinated Guarantee”	: The Guarantee by the Guarantor of the Subordinated Perpetual Securities and the Coupons relating thereto on a subordinated basis.
“Subordinated Perpetual Securities”	: Perpetual Securities which are expressed in the applicable Pricing Supplement to rank as subordinated obligations of the Issuer.
“sq ft”	: Square feet.
“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 30 November 2016 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as supplemented pursuant to a supplemental trust deed dated 6 May 2021 made between the same parties and as further amended, varied or supplemented from time to time.

“Trustee”	: HSBC Institutional Trust Services (Singapore) Limited.
“United States” or “U.S.”	: United States of America.
“UK”	: United Kingdom.
“US\$”	: The lawful currency of the 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.

Certain amounts (including percentage amounts) have been rounded for convenience and as a result, the aggregate of certain figures may not sum up to total amounts or equal quotients.

CORPORATE INFORMATION

Issuer	: OUE Treasury Pte. Ltd.
Board of Directors of the Issuer	: Mr. Brian Riady Mr. Chen Yi Chung
Company Secretary of the Issuer	: Ms. Toh Shang Ching
Registered Office of the Issuer	: 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321
Auditors to the Issuer	: KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Guarantor	: OUE Limited
Board of Directors of the Guarantor	: Dr. Stephen Riady Mr. Christopher James Williams Mr. Kelvin Lo Kee Wai Mr. Sin Boon Ann Mr. Kin Chan Mr. Brian Riady
Company Secretary of the Guarantor	: Mr. Chua Hua Yeow, Kelvin
Registered Office of the Guarantor	: 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321
Auditors to the Guarantor	: KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Arrangers of the Programme	: CIMB Bank Berhad, Singapore Branch 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623 The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch 10 Marina Boulevard #45-01 Marina Bay Financial Centre Tower 2 Singapore 018983 Oversea-Chinese Banking Corporation Limited 63 Chulia Street #03-05 OCBC Centre East Singapore 049514
Legal Advisers to the Arrangers	: Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Legal Advisers to the Issuer and the Guarantor	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989

- Legal Advisers to the Trustee, the Issuing and Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar, the CDP Transfer Agent and the Non-CDP Transfer Agent** : Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542
- Issuing and Paying Agent, CDP Registrar and CDP Transfer Agent** : The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
10 Marina Boulevard
Marina Bay Financial Centre Tower 2, #45-01
Singapore 018983
- Non-CDP Paying Agent, Non-CDP Registrar and Non-CDP Transfer Agent** : The Hongkong and Shanghai Banking Corporation Limited
Level 24, HSBC Main Building
1 Queen's Road Central, Hong Kong
- Trustee for the Securityholders** : HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre Tower 2, #45-01
Singapore 018983

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with and is qualified in its entirety by, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement. Unless otherwise defined in this Information Memorandum, capitalised terms used in this summary shall have the same meanings as ascribed to them in the Conditions or, as the case may be, the Trust Deed.

Issuer	: OUE Treasury Pte. Ltd.
Guarantor	: OUE Limited.
Arrangers	: CIMB Bank Berhad, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited.
Dealers	: CIMB Bank Berhad, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	: HSBC Institutional Trust Services (Singapore) Limited.
Issuing and Paying Agent	: The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
Non-CDP Paying Agent	: The Hongkong and Shanghai Banking Corporation Limited.
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\$3,000,000,000 (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(s).
Mandatory Redemption	: Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.

Interest Basis	: 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 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 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 may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes may be cleared through Euroclear and/or Clearstream, Luxembourg and such Notes may be required to be kept with a common depository on behalf of Euroclear and Clearstream, Luxembourg.

Status of the Notes and the Guarantee

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

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

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.

Negative Pledge

: (i) The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not create or have outstanding any security on or over its business, assets, undertakings, property or revenues (including uncalled capital), present or future save for any security which has been approved by the Trustee or the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

(ii) The Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes are outstanding, the Guarantor will not create or have outstanding any security on or over any property or assets, whether present or future, of the Guarantor to secure any Capital Markets Indebtedness or any guarantee or indemnity in respect of Capital Markets Indebtedness, without also at the same time or prior thereto:

(A) securing its indebtedness under the Trust Deed so that the Notes and/or the Coupons then outstanding are secured equally or rateably with such Capital Markets Indebtedness; or

(B) providing the Notes then outstanding with the benefit of other security as may be approved by the Noteholders by way of an Extraordinary Resolution of each Series of Notes that are outstanding,

provided that nothing in Clause 8.2 of the Trust Deed shall apply to: (1) any security existing as at 30 November 2016 which was created to secure any Capital Markets Indebtedness incurred on or prior to 30 November 2016 (“**Outstanding Capital Markets Indebtedness**”); (2) any security created subsequent to 30 November 2016 (I) as additional top up security to secure any Outstanding Capital Markets Indebtedness and (II) to satisfy the security margins contained in the finance documents pursuant to which such Outstanding Capital Markets Indebtedness referred to in (2)(I) was incurred; or (3) any security created for the purpose of refinancing any Outstanding Capital Markets Indebtedness.

For the purposes of Condition 4(a)(ii) of the Notes, “**Capital Markets Indebtedness**” means any indebtedness for moneys borrowed or interest thereon in the form of bonds, convertible bonds, notes, debentures, loan stock or other similar securities that are or are capable of being quoted, listed or ordinarily dealt with in any stock exchange, over-the-counter or other securities market.

Financial Covenants

: The Guarantor has covenanted with the Trustee in Clause 8.3 of the Trust Deed that so long as any of the Notes and/or the Coupons remain(s) outstanding, it will, at all times, ensure that:

(i) its Tangible Net Worth is not less than S\$1,000,000,000; and

(ii) its Gearing Ratio shall not exceed 1:1.

Non-disposal Covenant

: The Issuer and the Guarantor have covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding each of them will not, and will ensure that none of the Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of

time) dispose of (whether outright, by a sale, transfer, lease out, lending, sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets or all or any part of its assets the disposal of which (either alone or when aggregated with all other disposals required to be taken into account under Clause 16.26 of the Trust Deed) would be likely to have a Material Adverse Effect (as defined in the Trust Deed) on it. The following disposals shall not be taken into account under Clause 16.26 of the Trust Deed:

- (i) disposals in the ordinary course of business (including, without limitation, disposals to any real estate investment trust or entity where the Guarantor or any member of the Group has a minimum 51 per cent. ownership in the real estate investment trust manager of such real estate investment trust or, as the case may be, a minimum 51 per cent. ownership in such entity) on arm's length and normal commercial terms and as permitted by applicable laws and regulations;
- (ii) disposals pursuant to any reorganisation or 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; or
- (iii) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

Events of Default

: See Condition 10 of the Notes.

Taxation

: All payments in respect of the Notes and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without 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 or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section "*Taxation – Singapore Taxation*" of this Information Memorandum.

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 "*Subscription*,

Purchase and Distribution" of this Information Memorandum. 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 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 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

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

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 and the Guarantor shall not and shall procure that none of their respective 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 or the Guarantor’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer’s or the Guarantor’s Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer’s or the Guarantor’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer’s or the Guarantor’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 or, as the case may be, the Guarantor is permitted to do so by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Form and Denomination of Perpetual Securities

: The Perpetual Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the 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 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 may be cleared through Euroclear and/or Clearstream, Luxembourg and such Perpetual Securities may be required to be kept with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg.

Status of the Senior Perpetual Securities and the Senior Guarantee

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

The payment obligations of the Guarantor under the Senior Guarantee and the Trust Deed in relation to the Senior Perpetual Securities and the Coupons relating thereto

constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Status of the Subordinated Perpetual Securities and the Subordinated Guarantee

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

Subordination of the Subordinated Perpetual Securities and the Subordinated Guarantee

: Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer or the Guarantor, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them or, as the case may be, the Subordinated Guarantee are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer or, as the case may be, the Guarantor but at least *pari passu* with all other subordinated obligations of the Issuer or, as the case may be, the Guarantor that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities or, as the case may be, the Subordinated Guarantee and in priority to the claims of shareholders of the Issuer or, as the case may be, the Guarantor 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 or the Guarantor in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them or, as the case may be, the Subordinated Guarantee, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer or, as the case may be, the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer or, as the case may be, the Guarantor in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them or, as the case may be, the Subordinated

Guarantee is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or, as the case may be, the Guarantor (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the Issuer or, as the case may be, the Guarantor (or the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, the Guarantor) and accordingly any such discharge shall be deemed not to have taken place.

Redemption at the Option of the 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 (but excluding) the date fixed for redemption.

Redemption for Taxation Reasons

: If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the 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 (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

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 : 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 (but excluding) the date fixed for redemption), following the occurrence of a Change of Control Event (as defined 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.

Proceedings for Winding-Up : If (i) an order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Issuer and/or the Guarantor or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due or the Guarantor fails to pay any amount under the Guarantor when due (together, the “**Enforcement Events**”), the Issuer or, as the case may be, the Guarantor shall be deemed to be in default under the Trust Deed and the Perpetual Securities or, as the case may be, the Guarantee and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the winding-up of the Issuer and/or the Guarantor and/or prove in the winding-up of the Issuer and/or the Guarantor and/or claim in the liquidation of the Issuer and/or the Guarantor for such payment.

Taxation : All payments in respect of the Perpetual Securities and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without

deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section "*Taxation – Singapore Taxation*" of this Information Memorandum.

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.

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 "*Subscription, Purchase and Distribution*" of this Information Memorandum. Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.

Governing Law

: The Programme and any Perpetual Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. 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 30 November 2016 made between (1) OUE Treasury Pte. Ltd., as issuer (the "**Issuer**"), (2) OUE Limited, as guarantor (the "**Guarantor**") and (3) HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below) (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 30 November 2016 (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 30 November 2016 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) The Hongkong and Shanghai Banking Corporation Limited, 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**"), (4) The Hongkong and Shanghai Banking Corporation Limited, 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**"), 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, the Calculation Agency Agreement (as defined in the Trust Deed) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the 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, the Calculation Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective 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 or proven error) shall be treated by the Issuer, the Guarantor, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below) 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 Guarantor, 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 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.
- (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. 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)) 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 other 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 Guarantor, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other 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 and Guarantee

(a) Status

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

(b) Guarantee

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

4. Negative Pledge and Financial Covenants

(a) Negative Pledge

- (i) The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not create or have outstanding any security on or over its business, assets, undertakings, property or revenues (including uncalled capital), present or future save for any security which has been approved by the Trustee or the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).
- (ii) The Guarantor has covenanted with the Trustee in Clause 8.2 of the Trust Deed that so long as any of the Notes or the Coupons are outstanding, the Guarantor will not create or have outstanding any security on or over any property or assets, whether present or future, of the Guarantor to secure any Capital Markets Indebtedness or any guarantee or indemnity in respect of Capital Markets Indebtedness, without also at the same time or prior thereto:
 - (A) securing its indebtedness under the Trust Deed so that the Notes and/or the Coupons then outstanding are secured equally or rateably with such Capital Markets Indebtedness; or
 - (B) providing the Notes then outstanding with the benefit of other security as may be approved by the Noteholders by way of an Extraordinary Resolution of each Series of Notes that are outstanding,

provided that nothing in Clause 8.2 of the Trust Deed shall apply to: (1) any security existing as at 30 November 2016 which was created to secure any Capital Markets Indebtedness

incurred on or prior to 30 November 2016 (“**Outstanding Capital Markets Indebtedness**”); (2) any security created subsequent to 30 November 2016 (I) as additional top up security to secure any Outstanding Capital Markets Indebtedness and (II) to satisfy the security margins contained in the finance documents pursuant to which such Outstanding Capital Markets Indebtedness referred to in (2)(I) was incurred; or (3) any security created for the purpose of refinancing any Outstanding Capital Markets Indebtedness.

For the purposes of this Condition 4(a)(ii), “**Capital Markets Indebtedness**” means any indebtedness for moneys borrowed or interest thereon in the form of bonds, convertible bonds, notes, debentures, loan stock or other similar securities that are or are capable of being quoted, listed or ordinarily dealt with in any stock exchange, over-the-counter or other securities market.

(b) Financial Covenants

The Guarantor has covenanted with the Trustee in Clause 8.3 of the Trust Deed that so long as any of the Notes and/or the Coupons remain(s) outstanding, it will, at all times, ensure that:

- (i) its Tangible Net Worth is not less than S\$1,000,000,000; and
- (ii) its Gearing Ratio shall not exceed 1:1.

For the purposes of this Condition 4(b):

- (A) “**Gearing Ratio**” means, at any particular time, the ratio of Total Net Borrowings of the Group to Tangible Net Worth;
- (B) “**Tangible Net Worth**” means, at any particular time, the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the total equity of the Guarantor less (but without double counting) any amount included in the total equity of the Guarantor which is attributable to:
 - (1) goodwill or other intangible assets;
 - (2) amounts set aside for tax; and
 - (3) any dividend or other distribution declared or made by the Guarantor;
- (C) “**Total Net Borrowings**” means the total gross borrowings less cash and cash equivalents, as determined from the latest financial statements of the Guarantor delivered to the Trustee; and
- (D) the Tangible Net Worth and the Gearing Ratio shall be calculated and interpreted on a consolidated basis by reference to the latest audited and unaudited financial statements of the Guarantor.

(c) Non-Disposal Covenant

The Issuer and the Guarantor have covenanted with the Trustee in the Trust Deed that each of them will not, and will ensure that none of the Principal Subsidiaries (as defined in Condition 10) will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) dispose of (whether outright, by a sale, transfer, lease out, lending, sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets or all or any part of its assets the disposal of which (either alone or when aggregated with all other disposals required to be taken into account under Clause 16.26 of the Trust Deed) would be likely to have a Material Adverse Effect (as defined in the Trust Deed) on it. The following disposals shall not be taken into account:

- (i) disposals in the ordinary course of business (including, without limitation, disposals to any real estate investment trust or entity where the Guarantor or any member of the Group has a minimum 51 per cent. ownership in the real estate investment trust manager of such real estate investment trust or, as the case may be, a minimum 51 per cent. ownership in such entity) on arm’s length and normal commercial terms and as permitted by applicable laws and regulations;
- (ii) disposals pursuant to any reorganisation or 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; or
- (iii) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

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 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 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 (as defined below) 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 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) 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) 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; and
 - (E) 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);
- (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 ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” and under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
 - (C) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if

necessary, to 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; and

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

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

(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 Guarantor, 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, (a) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) 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 (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday 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**” means, in relation to any Series of Notes, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement;

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

“**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;

“**Group**” means the Guarantor and its subsidiaries;

“**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 as such hereon 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 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(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(h)).

(V) Calculations

(a) Determination of Rate of Interest 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 or proven error) be final and binding upon all parties. For the avoidance of doubt, to the extent that the Rate of Interest applicable to any Floating Rate Note, the Rate of Interest applicable to any Variable Rate Note or the Rate of Interest applicable to any Hybrid Note is to be calculated on a methodology that is different from the methodology provided in Condition 5(II)(b), 5(II)(c) or 5(III), the Calculation Agent shall not be obliged to make such calculation.

(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, the Issuer and the Guarantor as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be

notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the 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) Reserved.

(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

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.

(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(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee and the Issuing and Paying Agent a certificate signed by a Director or a duly authorised officer of the Issuer or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Purchases

The Issuer, the Guarantor or any of their respective related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to 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, the Guarantor or any of their respective related corporations 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, the Guarantor or, as the case may be, the relevant related corporation be held or resold.

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

(h) Early Redemption of Zero Coupon Notes

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified 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.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective related corporations may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the 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 in the place of payment, 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 CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and the Guarantor and their specified offices are listed below. The Issuer and the Guarantor reserve 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 they 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 Guarantor, 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 Guarantor, 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 Guarantor, 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 unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

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

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of 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 or, as the case may be, the Guarantor for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing and not waived, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction (and for the avoidance of doubt, neither the Issuer nor the Guarantor is obliged by virtue of this provision to provide such indemnification and/or security and/or pre-funding), give notice in writing 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 or the Guarantor does not pay any sum payable by it under any of the Notes or the Issue Documents (as defined in the Trust Deed) at the place at and in the currency in which it is expressed to be payable unless:
 - (i) its failure to pay is caused by administrative or technical error; and
 - (ii) payment is made within two business days of its due date;
- (b) the Issuer or the Guarantor does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer or the Guarantor referred to in paragraph (a)) 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 or the Guarantor in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated.

No Event of Default under paragraph (c) above will occur if such misrepresentation or misstatement, or the circumstances giving rise to it, is or are capable of remedy and is or are remedied within 21 days of the earlier of (i) the Trustee giving written notice of the failure to comply to the Issuer and (ii) the Issuer becoming aware of the failure to comply;

- (d) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;

- (e) (i) any other indebtedness of the Issuer, the Guarantor or any of the Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as a result of any actual or potential 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, the Guarantor or any of the Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys.

No Event of Default will occur under paragraph (e)(i) or (e)(ii) above if the aggregate amount of the indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (e)(i) and (e)(ii) above is less than S\$30,000,000 (or its equivalent in any other currency or currencies);

- (f) the Issuer, the Guarantor or any of the Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any part of (or of a particular type 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 any part of (or of a particular type of) the indebtedness of the Issuer, the Guarantor or any of the Principal Subsidiaries;
- (g) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the property, assets or revenues of the Issuer, the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within 21 days;
- (h) any security on or over the whole or any part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries becomes enforceable or any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);
- (i) any step is taken by any person with a view to the winding-up of the Issuer, the Guarantor or any of the Principal Subsidiaries or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer, the Guarantor or any of the Principal Subsidiaries or over the whole or any part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries.

No Event of Default will occur under paragraph (i) above in the case of:

- (i) a winding-up of a Principal Subsidiary for purposes of a reconstruction, amalgamation or consolidation on terms approved by an Extraordinary Resolution of the Noteholders; or
- (ii) a voluntary liquidation or winding-up of a Principal Subsidiary for purposes of a reorganisation or restructuring exercise where the assets remain within the Group or an entity controlled by any member of the Group, which does not involve insolvency and which does not have a Material Adverse Effect on the Issuer or the Guarantor;
- (j) the Issuer, the Guarantor or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than (i) pursuant to or following a reorganisation, amalgamation or reconstruction as permitted under Clause 16.31 of the Trust Deed, or (ii) for a voluntary liquidation or winding-up of a Principal Subsidiary on a solvent basis where the assets remain within the Group and such event does not have a Material Adverse Effect on the Issuer or the Guarantor) or (otherwise than as permitted by Clause 16.26 of the Trust Deed) disposes or threatens to dispose of the whole or any substantial part of its property or assets;
- (k) 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, the Guarantor 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 the Guarantor or on

the consolidated financial condition or business of the Issuer, the Guarantor and their respective subsidiaries taken as a whole or (ii) on the ability of the Issuer or the Guarantor to perform or comply with their respective obligations under any of the Issue Documents or the Notes;

- (l) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 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);
- (m) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of their respective obligations under any of the Issue Documents or any of the Notes;
- (n) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer or the Guarantor not) to be the legal and valid obligations of the Issuer or the Guarantor, binding upon it in accordance with its terms;
- (o) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature and discharged within 45 days of its commencement) against the Issuer, the Guarantor or any of the Principal Subsidiaries is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer or the Guarantor under any of the Issue Documents or any of the Notes or (ii) which has or would be likely to have a Material Adverse Effect on the Issuer or the Guarantor;
- (p) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (f), (g), (h), (i) or (k);
- (q) the Issuer, the Guarantor or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore;
- (r) the shares of the Guarantor cease to be quoted or listed on the SGX-ST or transactions in any share in the share capital of the Guarantor on the SGX-ST are suspended for a period exceeding five consecutive Trading Days, and for the purpose of this Condition 10(r), **“Trading Day”** means a day on which shares can be traded on the SGX-ST generally;
- (s) for any reason the Guarantor ceases to own (directly and indirectly) the whole of the issued share capital for the time being of the Issuer; and
- (t) any event occurs or circumstances arise which (i) give(s) reasonable grounds for believing that the Issuer or the Guarantor may not (or may be unable to) perform or comply with any one or more of their respective obligations under any of the Issue Documents or any of the Notes or (ii) has a material adverse effect on the financial condition, business, results of operations, assets or properties of the Issuer or the Guarantor or the Issuer, the Guarantor and their respective subsidiaries taken as a whole.

In these Conditions:

- (A) **“Principal Subsidiary”** means, at any particular time, any subsidiary of the Guarantor whose total assets, as shown by the accounts of such subsidiary, based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or a part of its business, undertaking or assets to another subsidiary, the Issuer or the Guarantor (the **“transferee”**) then:
 - (1) 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 or the Guarantor) shall thereupon become a Principal Subsidiary; and
 - (2) 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 or the Guarantor) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (1) above or which remains or becomes a Principal Subsidiary by virtue of (2) above shall continue to be a Principal Subsidiary until the earlier of the date of issue of (I) the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets of such subsidiary, as shown by the accounts of such subsidiary, based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the total assets of the Group, as shown by such audited consolidated accounts and (II) a report by the Auditors as described below dated on or after the date of the relevant transfer which shows the total assets of such subsidiary to be less than 15 per cent. of the total assets of the Group. A report by the Auditors that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(B) “**subsidiary**” means, in relation to any person, any company, corporation, trust, fund or other entity (whether or not a body corporate):

- (1) which is controlled, directly or indirectly, by that person; or
- (2) more than half of the issued share capital or interests of which is beneficially owned, directly or indirectly, by that person; or
- (3) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (1) or (2) above applies,

and, for these purposes, a company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by a person if that person is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

11. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may (but is not obliged to), at its discretion and without further notice, institute such proceedings against the Issuer or the Guarantor 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 to its satisfaction (and for the avoidance of doubt, neither the Issuer nor the Guarantor is obliged by virtue of this provision to provide such indemnification and/or security and/or pre-funding). No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders and Modifications

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

The Trustee, the Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 15 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction (and for the avoidance of doubt, neither the Issuer nor the Guarantor is obliged by virtue of this provision to provide such indemnification and/or security and/or pre-funding) against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount,

(e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified on the face of the Note may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest or proven 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 notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment 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, the Guarantor or any of their respective 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 (i) if published in a newspaper of general circulation in Singapore (which is expected to be *The Business Times*), (ii) if the holders of any Series of Notes can be identified, if the notices are given to each of such holders, or (iii) so long as the Notes are listed on the SGX-ST, if published on the website of the SGX-ST (www.sgx.com). Notices will, if published more than once or on different dates, be deemed to have been given on the date the first publication is made 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) The Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.
- (b) 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 or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons, Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

18. Contracts (Rights of Third Parties) Act

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

Issuing and Paying Agent, CDP Registrar and CDP Transfer Agent
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
10 Marina Boulevard
Marina Bay Financial Centre Tower 2, #45-01
Singapore 018983

Non-CDP Paying Agent, Non-CDP Registrar and Non-CDP Transfer Agent
The Hongkong and Shanghai Banking Corporation Limited
Level 24, HSBC Main Building
1 Queen's Road Central, Hong Kong

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form 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 30 November 2016 made between (1) OUE Treasury Pte. Ltd., as issuer (the **"Issuer"**), (2) OUE Limited, as guarantor (the **"Guarantor"**) and (3) HBSIC Institutional Trust Services (Singapore) Limited (the **"Trustee"**, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below) (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 30 November 2016 (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 30 November 2016 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) The Hongkong and Shanghai Banking Corporation Limited, 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"**), (4) The Hongkong and Shanghai Banking Corporation Limited, 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"**), 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 Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the **"Talons"**) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the Calculation Agency Agreement (as defined in the Trust Deed) and the Deed of Covenant.

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

Copies of the Trust Deed, the Agency Agreement, the Calculation Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective 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 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 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 or proven error) shall be treated by the Issuer, the Guarantor, the Paying Agents, the Transfer Agents, the Registrars, the Calculation Agent (as defined below) 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 Guarantor, 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.
- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing such Series, “**Global Certificate**” means the relevant Global Certificate representing each Series

that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (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 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 Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar 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 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 Guarantor, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of 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 and Guarantee

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

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

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

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

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

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

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

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

In these Conditions, “**Parity Obligation**” means, in relation to the Issuer or the Guarantor, any instrument or security (including without limitation any preference shares) issued, entered into

or guaranteed by the Issuer or, as the case may be, the Guarantor (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with (in the case of the Issuer) the Subordinated Perpetual Securities or (in the case of the Guarantor) the Subordinated Guarantee (as defined in the Trust Deed) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer or, as the case may be, the Guarantor and/or, in the case of an instrument or security guaranteed by the Issuer or the Guarantor, the issuer thereof.

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

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up 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 – Issuer

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

(iv) Guarantee of Subordinated Perpetual Securities

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

(v) Ranking of claims on winding up – Guarantor

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

(vi) **No set-off – Guarantor**

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

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its Calculation Amount (as defined in Condition 4(II)(c)) from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

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

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of 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(I) 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.

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 (as defined in Condition 5(g)) 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 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” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);
- (cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to 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” (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 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. For the avoidance of doubt, to the extent that the Reset Distribution Rate or (if a Change of Control Event has occurred) the Distribution Rate applicable to any Fixed Rate Perpetual Security is to be calculated using a methodology that is different from the methodology provided in Condition 4(l)(b), the Calculation Agent shall not be obliged to make such calculation.

(d) Publication of Relevant Reset Distribution Rate

The Calculation Agent will cause the applicable Reset Distribution Rate or (if a Change of Control Event has occurred) the applicable Distribution Rate to be notified to the Issuing and Paying Agent, the Trustee, the Issuer and the Guarantor as soon as possible after its determination but in no event later than the fourth business day thereafter. The Calculation Agent shall cause notice of the then applicable Reset Distribution Rate or (if a Change of Control Event 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 Calculation Agent, 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) Reserved.

(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 this Condition 4(l)(f), “**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) 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) 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; and
 - (E) 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);
- (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 ABSFIX01 Page under the caption "SGD SOR rates as of 11:00hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any);
 - (C) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to 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; and
 - (D) 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
- (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) 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); and
- (C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.
- (iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.
 - (iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(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, (a) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) 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 (c) (if a payment is to be made on that day):

- (i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore;
- (ii) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros; and
- (iii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros), a day (other than a Saturday 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” means, in relation to any Series of Perpetual Securities, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement;

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

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

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

(III) Calculations

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

The Calculation Agent will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the “**Distribution Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent (taking into account information or input provided by the Depository (where applicable)) shall (in the absence of manifest or proven error) be final and binding upon all parties. For the avoidance of doubt, to the extent that the Distribution Rate applicable to any Fixed Rate Perpetual Security or Floating Rate Perpetual Security is to be calculated on a methodology that is different from the methodology provided in Condition 4(II), the Calculation Agent shall not be obliged to make such calculation.

(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, the Issuer and the Guarantor as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate 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) Reserved.

(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 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If 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 any of the Guarantor’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 any of the Guarantor’s Parity Obligations; or
- (ii) any of the Issuer’s Junior Obligations or any of the Guarantor’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer’s Parity Obligations or any of the Guarantor’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 or the Guarantor, any of its ordinary shares and any class of its share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer or, as the case may be, the Guarantor that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities or, as the case may be, the Guarantee.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by a director or a duly authorised officer 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 to (in the circumstances set out in Condition 4(IV)(a)) further defer any

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

- (iii) If Additional Distribution is set out 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 and the Guarantor shall not and shall procure that none of their respective 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 or the Guarantor’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer’s or the Guarantor’s Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer’s or the Guarantor’s Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro rata* basis) any of the Issuer’s or Guarantor’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 or, as the case may be, the Guarantor is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee 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 or the Guarantor.

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

(f) No Default

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

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 (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of

Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due. 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 a Director or a duly authorised officer of the Issuer or, as the case may be, the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change 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 a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

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

(h) Purchases

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

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

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

(i) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer, the Guarantor or any of their respective related corporations may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the 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 in the place of payment, 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 7) 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 CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and the Guarantor and their specified offices are listed below. The Issuer and the Guarantor reserve 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 they 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 Guarantor, 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 Guarantor, 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 Guarantor, 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 unexpired Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unexpired Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexpired Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unexpired Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

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

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of 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 or, as the case may be, the Guarantor for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when Due

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

(b) Proceedings for Winding-Up

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

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer or the Guarantor institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce any term or condition binding on the Issuer or the Guarantor under the Perpetual Securities, the Guarantee or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer or the Guarantor under or arising from the Perpetual Securities or the Guarantee, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer and/or the Guarantor to enforce the terms of the Trust Deed, the Guarantee or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction (and for the avoidance of doubt, neither the Issuer nor the Guarantor is obliged by virtue of this provision to provide such indemnification and/or security and/or pre-funding).

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the winding-up or claim in the liquidation of the Issuer and/or the Guarantor or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer and/or the Guarantor as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' Remedy

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

10. Meeting of Perpetual Securityholders and Modifications

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

The Trustee, the Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 15 per cent. of the principal amount of

the Perpetual Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction (and for the avoidance of doubt, neither the Issuer nor the Guarantor is obliged by virtue of this provision to provide such indemnification and/or security and/or pre-funding) against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest or proven 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 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 perpetual securities having the same terms and

conditions as the Perpetual Securities of any Series and so that the same shall be consolidated and form a single Series with such Perpetual Securities, and references in these Conditions to “**Perpetual Securities**” shall be construed accordingly.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment 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, the Guarantor or any of their respective 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 (i) if published in a newspaper of general circulation in Singapore (which is expected to be *The Business Times*), (ii) if the holders of any Series of Perpetual Securities can be identified, if the notices are given to each of such holders, or (iii) so long as the Perpetual Securities are listed on the SGX-ST, if published on the website of the SGX-ST (www.sgx.com). Notices will, if published more than once or on different dates, be deemed to have been given on the date the first publication is made 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 identities 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) The Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.
- (b) 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, Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Perpetual

Securities, Coupons, Talons or the Guarantee (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

16. Contracts (Rights of Third Parties) Act

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

Issuing and Paying Agent, CDP Registrar and CDP Transfer Agent
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
10 Marina Boulevard
Marina Bay Financial Centre Tower 2, #45-01
Singapore 018983

Non-CDP Paying Agent, Non-CDP Registrar and Non-CDP Transfer Agent
The Hongkong and Shanghai Banking Corporation Limited
Level 24, HSBC Main Building
1 Queen’s Road Central, Hong Kong

THE ISSUER

1. History and Background

The Issuer was incorporated as a private limited company under the laws of the Republic of Singapore on 4 November 2016. It is a wholly-owned subsidiary of the Guarantor.

Its principal activities are the provision of financial and treasury services for and on behalf of the Group. Since its incorporation, the Issuer has not engaged in activities other than the establishment and updates of the Programme and the issue and proposed issue of the Securities under the Programme. As part of its finance and treasury functions, the Issuer may enter into other finance and fund raising to meet financial requirements of the Group.

The registered office of the Issuer as at the date of this Information Memorandum is at 50 Collyer Quay #18-01/02 OUE Bayfront Singapore 049321.

2. Share Capital

As at the date of this Information Memorandum, the issued share capital of the Issuer is one ordinary share of S\$1.00 each. The issued ordinary share in the capital of the Issuer is held by the Guarantor.

3. Directors of the Issuer

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

Brian Riady

Chen Yi Chung

THE GUARANTOR AND THE GROUP

1. History and Background

The Guarantor was incorporated in Singapore on 8 February 1964 under the Companies Ordinance as a limited liability company. The Guarantor is listed on the Main Board of the SGX-ST and has a market capitalisation of approximately S\$1.3 billion as at the Latest Practicable Date.

The Group is a diversified real estate owner, developer and operator with a real estate portfolio located in Asia. The Group consistently grows its business by leveraging its brands and proven expertise in developing and managing assets across the commercial, hospitality, retail and residential sectors. In 2017, the Group expanded its portfolio into the healthcare sector with the acquisition of OUE Lippo Healthcare Limited (“**OUELH**”), a listed integrated healthcare services and facilities provider. This was followed by the acquisition in 2018 of First REIT Management Limited (formerly known as Bowsprit Capital Corporation Limited), the manager of First Real Estate Investment Trust (“**First REIT**”), Singapore’s first listed healthcare real estate investment trust (“**REIT**”). In 2019, the Group expanded into the consumer sector through its subsidiary, OUE Restaurants Pte. Ltd. (“**OUE Restaurants**”), comprising the operation of F&B outlets with various dining and lifestyle concepts. As at the date of this Information Memorandum, the Group, through a joint venture company known as Auric Digital Retail Pte. Ltd. (“**ADRPL**”) in which the Group has a 40.0% stake, is in the process of acquiring a controlling stake of up to 50.12% in PT Matahari Department Store Tbk (“**Matahari**”). Matahari is in the business of retailing of consumer goods, including clothes, accessories, bags, shoes, cosmetics and household products, in Indonesia, and its acquisition will allow the Group to further expand its consumer division footprint.

With its core strategy of investing in and enhancing a stable of distinctive properties, the Guarantor is committed to developing a portfolio that has a strong recurrent income base, balanced with development profits, to enhance long-term shareholder value.

Historically, the Group derived substantially all of its revenue from its hospitality operations, with its key asset being Mandarin Orchard Singapore, a 1,077-room hotel located in the prime Orchard Road hotel, shopping and entertainment belt. The Group began diversifying its business into the retail and commercial sectors in 2009 with the conversion of the first four storeys of Mandarin Orchard Singapore into Mandarin Gallery, a high-end retail space at 333A Orchard Road, as well as the acquisition of OUE Downtown (formerly known as 6 Shenton Way). Mandarin Gallery commenced operations in November 2009 and the acquisition of OUE Downtown was completed on 30 September 2010. In 2011, the Group acquired Crowne Plaza Changi Airport (“**CPCA**”) and also completed the development of OUE Bayfront, which is located at 50 Collyer Quay. OUE Bayfront is an 18-storey Grade-A office tower with two adjoining properties – OUE Tower (the conserved Change Alley Aerial Plaza) and OUE Link (the refurbished Change Alley Linkbridge) (OUE Bayfront, OUE Tower and OUE Link, collectively, the “**OUE Bayfront Property**”).

Consistent with its vision of being a real estate developer and owner and with its aim of extracting value from its property portfolio, the Guarantor successfully sponsored two REITs in July 2013 and January 2014 respectively. With the establishment of OUE Hospitality Trust (“**OUE H-Trust**”) (comprising OUE Hospitality Real Estate Investment Trust (now known as OUE Hospitality Sub-Trust) (“**OUE H-REIT**”) and OUE Hospitality Business Trust) and OUE Commercial Real Estate Investment Trust (“**OUE C-REIT**”), the Group further diversified its business into the fund management of REITs.

On the hospitality front, OUE H-REIT was managed by the Guarantor’s wholly-owned subsidiary, OUE Hospitality REIT Management Pte. Ltd. (the “**H-REIT Manager**”). Operating as a REIT manager added a further dimension to the Group’s business strategy and its commitment to be a property player. Mandarin Orchard Singapore and Mandarin Gallery were injected into OUE H-REIT in 2013 as the initial asset portfolio of OUE H-REIT.

In 2015, OUE Airport Hotel Pte. Ltd. (an indirectly wholly-owned subsidiary of the Guarantor) (“**OUEAH**”), as vendor, completed the divestment of CPCA to OUE H-REIT. In connection with this divestment, the H-REIT Manager, RBC Investor Services Trust Singapore Limited (in its capacity as trustee of OUE H-REIT) (“**REIT Trustee**”) and OUEAH entered into a master lease agreement on 30 January 2015 (the “**Master Lease Agreement**”), pursuant to which OUEAH will lease the whole of CPCA from the date of completion of the divestment of CPCA to 27 May 2028 (inclusive of both dates), with an option given to OUEAH to renew for two consecutive terms of five years each.

The Group also developed a 10-storey extension building to CPCA (“**CPEX**”). The extension was completed in June 2016 and on 1 August 2016, OUEAH completed the divestment of CPEX to OUE

H-REIT. In connection with the completion of the divestment of CPEX, the H-REIT Manager, the REIT Trustee and OUEAH entered into a supplemental lease agreement to vary the Master Lease Agreement for CPCA, pursuant to which OUEAH will lease the whole of CPCA and CPEX for the same tenure as the Master Lease Agreement (being until 27 May 2028, with an option given to OUEAH to renew for two consecutive terms of five years each).

In relation to its commercial properties, the Group's flagship OUE Bayfront Property and the Lippo Plaza Property (as defined below) form part of the initial asset portfolio of OUE C-REIT. Lippo Plaza is a 36-storey Grade-A commercial building located in Shanghai and OUE C-REIT acquired 91.2% share of strata ownership in Lippo Plaza (the "**Lippo Plaza Property**") in 2014.

In 2015, the Guarantor disposed of its 83.33% interest in OUB Centre Limited ("**OUBC**") to OUE C-REIT. Through OUBC's 81.54% interest in One Raffles Place, OUE C-REIT holds an indirect effective interest of 67.95% in One Raffles Place as at the Latest Practicable Date. Through its shareholding interest in OUE C-REIT, the Group thus has a partial indirect interest in One Raffles Place. One Raffles Place is an integrated development located in the Singapore Central Business District ("**CBD**") comprising two Grade-A office towers and a shopping mall. One Raffles Place Tower 1 and One Raffles Place Tower 2 are designated Grade-A office buildings which are 62 storeys and 38 storeys high respectively. One Raffles Place Tower 1 is a landmark building, and one of the tallest buildings in Singapore at 282 metres high, whilst One Raffles Place Shopping Mall is the largest purpose-built mall in Raffles Place, the heart of Singapore's financial district. Covering approximately 100,000 sq ft of retail space and situated above and with a direct basement level link to the Raffles Place MRT station, One Raffles Place Shopping Mall enjoys excellent connectivity and easy accessibility via underground walkways to other developments within Raffles Place and Marina Bay.

Following the completion of the refurbished OUE Downtown, a mixed-used development located at Shenton Way in Singapore, the office components of OUE Downtown (the "**OUE Downtown Offices**"), comprising the 37-storey OUE Downtown 2 and the high zone of the 50-storey OUE Downtown 1, were divested to OUE C-REIT in November 2018.

In 2017, the Group diversified its portfolio into the healthcare real estate sector through the acquisition of OUELH (previously known as International Healthway Corporation Limited). OUELH, which is incorporated in Singapore and listed on the Catalist Board of the SGX-ST, is a Pan-Asian healthcare group that owns, operates and invests in quality healthcare assets in high-growth Asian markets.

In February 2018, OUELH completed the allotment and issuance of 562,500,000 shares to Brownly Healthcare Pte. Ltd. ("**BHPL**"), an indirect wholly-owned subsidiary of Tokyo Stock Exchange-listed ITOCHU Corporation, representing 25.3% of the enlarged issued and paid-up share capital of OUELH. Pursuant to a share purchase agreement dated 23 March 2021 entered into between Treasure International Holdings Pte. Ltd. ("**TIHPL**") (a wholly-owned subsidiary of the Guarantor) and BHPL, TIHPL purchased 266,587,752 shares of OUELH, representing approximately 6.0% of its enlarged issued and paid-up share capital. The Guarantor continues to be the largest shareholder with a shareholding of 70.4% as at the Latest Practicable Date, with BHPL having a shareholding of 19.3% as at the Latest Practicable Date.

In September 2018, the Guarantor entered into a conditional land sale and purchase agreement to purchase prime plots of land with a total area of approximately 86,100 sq ft, located within the central business district in South Jakarta, Indonesia. As at 31 December 2020, the valuation of the land was approximately IDR1,420.0 billion. Plans are underway to transform the site into a high-rise development featuring premium Grade-A offices and a lifestyle hotel targeted for completion in 2026.

As part of the Group's strategy to grow its asset management business, in October 2018, the Guarantor and OUELH acquired a 60% and 40% stake respectively, in First REIT Management Limited, the manager of First REIT, Singapore's first listed healthcare REIT, whose portfolio includes healthcare assets in Indonesia, Singapore and South Korea, and a controlling stake in First REIT. The Guarantor and OUELH (via their wholly-owned subsidiaries) both participated in the rights issue of First REIT launched in January 2021 by subscribing for their respective provisional allotments of rights units and applying for excess rights units. The Guarantor's effective interest in First REIT (via the Guarantor's wholly-owned subsidiary, OUELH and First REIT Management Limited) is approximately 22.6% as at the Latest Practicable Date.

As part of the Guarantor's efforts to further scale up its businesses to achieve sustainable returns through economies of scale, the Guarantor expanded its operations with a new consumer sector in 2019, which comprises F&B and lifestyle businesses. The expansion represents organic growth for the

Guarantor by leveraging its existing operational experience in delivering distinctive dining and lifestyle concepts.

Beyond its base in Singapore, the Group continues to grow its network of businesses in the Asia region, capitalising on the robust property markets and stable economic growth potential of other countries, via strategic acquisitions and joint ventures through Gemdale Properties and Investment Corporation Limited (“**Gemdale**”). In August 2019, the Group increased its shareholding in Gemdale to approximately 27.9%, before reducing its shareholding to approximately 23.8% in January 2020. The Group’s investment in Gemdale allows the Group to maintain access and exposure to the real estate market in China and provides the Group with a continued opportunity to leverage on future potential collaborations and partnerships with the Gemdale group.

In September 2019, the merger of OUE C-REIT and OUE H-Trust (the “**Merger**”) by way of a trust scheme of arrangement was completed, pursuant to which OUE H-Trust became a sub-trust of OUE C-REIT and was delisted from the SGX-ST. This marked a significant milestone for the Group. With total assets of approximately S\$6.8 billion as at 31 December 2020, the enlarged OUE C-REIT is currently one of the largest diversified REITs in the Singapore REIT space. The enlarged OUE C-REIT continues to be managed by OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of the Guarantor. As at the Latest Practicable Date, the Guarantor and its subsidiaries have an effective ownership of 48.0% in OUE C-REIT.

In November 2019, the Group completed the divestment of the serviced apartments at OUE Downtown, Oakwood Premier OUE Singapore, and its business for a total consideration of S\$289 million. The divestment enabled the Group to unlock cash resources for the pursuit of higher-growth opportunities aimed at further enhancing shareholder value.

In March 2020, the Guarantor entered into a branding and management agreement with Conrad International Management Services (Singapore) Pte. Ltd., pursuant to which Mandarin Orchard Singapore will be re-branded as Hilton Singapore Orchard. The hotel will undergo refurbishment works to align the property to the “Hilton” brand standards and to create additional areas to cater to the growing demand for business and meetings, incentives, conferences and exhibitions (“**MICE**”) facilities.

In September 2020, the Group completed the divestment of U.S. Bank Tower in Los Angeles for a consideration of US\$430 million. The divestment enabled the Group to unlock capital at a time when the longer-term outlook for the U.S. property market was uncertain and strengthened the Group’s liquidity and cash reserves.

In March 2021, OUE C-REIT completed the divestment of a 50.0% interest in the OUE Bayfront Property, at an agreed value of S\$1,267.5 million based on S\$3,170 per square foot of net lettable area for the OUE Bayfront Property, to ACRE Angsana Pte. Ltd., a special purpose vehicle managed by Allianz Real Estate Asia Pacific Pte. Ltd. (the “**Allianz Investor**”). The divestment was effected through the establishment of a limited liability partnership known as BPH Propco LLP (“**BPH LLP**”) which acquired the property, with DBS Trustee Limited, in its capacity as trustee of OUE C-REIT, and the Allianz Investor each holding a 50.0% interest in BPH LLP. The divestment allows OUE C-REIT to realise the value of capital appreciation of a well-managed, premium Grade-A commercial asset. In retaining a 50.0% stake, OUE C-REIT continues to maintain significant exposure to the Singapore office market, which has demonstrated resilience amidst a challenging operating landscape. Further, the divestment proceeds provide the opportunity to optimise OUE C-REIT’s capital structure, increasing financial flexibility to consider value-enhancing options to drive further returns for its unitholders.

As at the Latest Practicable Date, the Guarantor, through its subsidiaries, continues to hold 23 units of luxurious fully-furnished apartments at OUE Twin Peaks for investment purposes; a land parcel located in South Jakarta, Indonesia; and Downtown Gallery, a retail mall of approximately 150,000 sq ft of net lettable area located at Shenton Way.

The Group takes a long-term view of the relationships it forges with its tenants. In light of the unprecedented economic distress caused by the COVID-19 pandemic, the Group has introduced rental relief measures for eligible retail tenants within its properties in Singapore, including waiver of gross rental for certain periods, rental rebates, assistance schemes such as flexible payment, rental reduction to eligible tenants and passing on in full the property tax rebates received from the Singapore government.

The Group will continue to assess strategic investment opportunities in real estate that are aligned with its growth strategy and focus.

The Group's strategy is to continue to invest in, develop and manage a diversified portfolio of real estate with its core concentration primarily in Singapore. It believes the Singapore real estate market offers significant growth potential notwithstanding the present challenging environment. Amidst the challenges that the Group may face and uncertainty from the unfolding COVID-19 situation, the Group remains focused on maximising value for shareholders while maintaining financial resilience as it navigates the uncertainties of the year ahead.

Global outbreak of COVID-19

In response to the COVID-19 pandemic, governments around the world, including in Singapore, introduced measures designed to slow the spread of the COVID-19 pandemic, including stricter border control and travel restrictions, office occupancy limits and other social distancing measures. Such measures will have negative near-term financial impact on the Group, with the main affected business segments being the investment properties and hospitality divisions.

In Singapore, the restrictions arising from the COVID-19 outbreak resulted in a decline in shopper traffic, disruption in leasing activities such as viewings, handovers and fitting-out, and longer leasing lead time as occupiers focus on cost containment and re-evaluate space requirements. Expansions and re-locations were put on hold while renewals were prioritised.

The Group has introduced rental relief measures for eligible retail tenants within its properties in Singapore, including waiver of gross rental for certain periods, rental rebates, assistance schemes such as flexible payment, rental reduction to eligible tenants and passing on in full the property tax rebates received from the Singapore government. As a result of these measures, the Group's revenue, funds from operations and profits may be materially and adversely affected.

The Group's hospitality division saw a sharp decline in accommodation demand due to travel restrictions, and postponement or cancellation of planned MICE and social events. Most retail premises were required to close, with F&B establishments only permitted to remain open for takeaway or home delivery.

While retail premises have begun to open to the public, the full extent of the impact of the COVID-19 pandemic on the Group's revenue from its hospitality division is not currently ascertainable, though the Group expects overall occupancy and its F&B and banquet business to decrease year-on-year.

The Group has put in place mitigating measures, such as suspending non-essential capital and operating expenditure across its properties and introducing more flexible leasing terms to selected tenants to sustain occupancy. The Group has also endeavoured to secure alternative sources of demand for its hospitality business, such as guests on self-isolation and workers affected by border shutdowns, and implemented cost containment measures to manage staff costs and overheads. The Group has also received some support from the Singapore government's assistance packages such as wage and tax reliefs.

The Group's business has been, and will continue to be, adversely affected by the COVID-19 pandemic and the impact is likely to be material. As the COVID-19 pandemic is ongoing, the actual extent of the pandemic and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on the Group's business, financial condition and results of operations will depend on, among other things, the duration and impact of the COVID-19 pandemic and the extent and speed of the post-pandemic economic recovery. Please also see the section "*Risk Factors – Risks Relating to the Group's Business Generally – The Group's businesses, financial condition and results of operations may be materially and adversely affected by natural calamities and/or the outbreak of communicable diseases*" for more information.

3. Business Operations

The Group presently has six key businesses: (i) commercial, which includes the development, management and ownership of office and mixed-use properties, (ii) hospitality, which includes the development, management and ownership of hospitality properties, (iii) retail, which includes the development, management and ownership of retail spaces, (iv) residential, which includes the development and sale of residential properties, (v) healthcare, comprising healthcare services and property investment, and (vi) consumer, comprising the operation of F&B outlets with various dining and lifestyle concepts, and potentially retailing of consumer goods (please see the section “– Business Operations – Consumer” for further details).

The Group has also diversified into the fund management business and may also explore the possibilities of leveraging on its experience in fund management by taking on fund management roles in other funds it invests in or identifies as possible investment opportunities. The properties within its diversified portfolio include commercial, hospitality, retail and residential properties primarily located in Singapore.

The Group continues to explore diversification and expansion of its business, and the Guarantor as an investment holding company may, directly or through its subsidiaries and/or associates, continue to develop and expand on the Group’s existing businesses and structure its investments in a variety of ways whether by way of equity, debt or other participation structures.

The Group aims to build a strong cash flow position from its commercial, hospitality, retail and healthcare sectors. The table below sets out the key properties owned and/or managed by the Group.

	<u>Fair Value (millions)</u>	<u>Description</u>	<u>Ownership</u>	<u>Tenure of Land</u>
OUE Downtown office components (comprising OUE Downtown 1 & 2)	S\$900.0 ⁽¹⁾	Grade-A office space encompassing the 35 th to 46 th storeys of OUE Downtown 1, a 50-storey high-rise tower, and the 7 th to 34 th storeys of OUE Downtown 2, a 37-storey tower linked by a podium, retail space and car park	Refer to footnote (2)	99-year lease from 19 July 1967
Downtown Gallery	S\$230.0 ⁽¹⁾	A premium retail space spread over six levels including one basement level of OUE Downtown, spanning approximately 150,000 sq ft and with a 262-metre-wide frontage	100%	99-year lease from 19 July 1967

	<u>Fair Value (millions)</u>	<u>Description</u>	<u>Ownership</u>	<u>Tenure of Land</u>
OUE Twin Peaks (comprising 23 units held as investment properties)	S\$65.9 ⁽¹⁾	A residential development comprising two identical 35-storey blocks situated close to the heart of Orchard Road, of which the Group holds 23 residential units for investment purposes	100%	99-year lease from 10 May 2010
OUE Bayfront Property (and adjoining properties comprising OUE Tower and OUE Link)	S\$1,267.5 ⁽³⁾	An integrated commercial development comprising an 18-storey office building, a conserved tower building and a retail link bridge at Collyer Quay, Singapore	Refer to footnote (4)	OUE Bayfront and OUE Tower: 99-year lease from 12 November 2007 OUE Link: 15-year lease from 26 March 2010 Underpass: 99-year lease from 7 January 2002
One Raffles Place (an integrated commercial development comprising One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall)	S\$1,799.7 ⁽⁵⁾	One Raffles Place Tower 1: A 62-storey Grade-A office building with rooftop restaurant and observation deck One Raffles Place Tower 2: A 38-storey Grade-A office building completed in 2012 One Raffles Place Shopping Mall: A six-storey retail podium with direct underground link to the Raffles Place MRT Station	Refer to footnote (6)	One Raffles Place Tower 1: 841-year lease from 1 November 1985 One Raffles Place Tower 2: 99-year lease from 26 May 1983 One Raffles Place Shopping Mall: the retail podium straddles two land plots: – approximately 75% of the retail podium net lettable area is on a 99-year leasehold title commencing 1 November 1985

	<u>Fair Value (millions)</u>	<u>Description</u>	<u>Ownership</u>	<u>Tenure of Land</u>
				– the balance 25% is on an 841-year leasehold title commencing 1 November 1985
Lippo Plaza Property (comprising a 91.2% share of strata ownership in Lippo Plaza)	RMB2,680.0 ⁽⁷⁾	A 36-storey commercial building with retail podium in Shanghai, China excluding: <ul style="list-style-type: none"> (i) Unit 2 in Basement 1, (ii) the 12th, 13th, 15th and 16th floors and (iii) four car park lots 	Refer to footnote (8)	50-year land use right from 2 July 1994
Crowne Plaza Changi Airport	S\$468.5 ⁽¹⁾	A 563-room business hotel directly connected to Changi Airport Terminal 3 and in close proximity to the Changi Business Park and Singapore Expo	Refer to footnote (9)	74-year lease from 1 July 2009
Mandarin Orchard Singapore	S\$1,157.0 ⁽¹⁾	A 37-storey Main Tower with a 39-storey Orchard Wing housing 1,077 rooms	Refer to footnote (9)	99-year lease from 1 July 1957
Mandarin Gallery	S\$473.0 ⁽¹⁾	A prime retail landmark on Orchard Road; features four duplex stores and six street front shop units along the mall's 152-metre-wide frontage	Refer to footnote (9)	99-year lease from 1 July 1957

	<u>Fair Value (millions)</u>	<u>Description</u>	<u>Ownership</u>	<u>Tenure of Land</u>
Hikari Heights Varus Kotoni	6,280.0 Yen ⁽¹⁾	A 14-storey nursing home with 281 one- and two-bedded rooms that can accommodate up to 364 residents at Hokkaido, Japan	Refer to footnote (10)	Freehold
Hikari Heights Varus Makomanai-Koen	4,467.0 Yen ⁽¹⁾	A 10-storey nursing home with 161 rooms that can accommodate up to 196 residents at Hokkaido, Japan	Refer to footnote (10)	Freehold
ElySION Mamigaoka/ ElySION Mamigaoka Annex	2,342.0 Yen ⁽¹⁾	A nursing home with two blocks (five-storey and four-storey) with 160 one- and two-bedded rooms that can accommodate up to 165 residents at Nara, Japan	Refer to footnote (10)	Freehold
Varus Cuore Sapporo-Kita/ Varus Cuore Sapporo-Kita Annex	2,810.0 Yen ⁽¹⁾	Facility consists of two buildings: a five-storey Varus Cuore Sapporo-Kita, with 126 rooms, and a 3-storey Varus Cuore Sapporo-Kita Annex, with 90 rooms, which can accommodate up to 231 residents in total at Hokkaido, Japan	Refer to footnote (10)	Freehold

	<u>Fair Value (millions)</u>	<u>Description</u>	<u>Ownership</u>	<u>Tenure of Land</u>
Hikari Heights Varus Fujino	1,554.0 Yen ⁽¹⁾	A nursing home consisting of two blocks (nine-storey and 13-storey) with 139 rooms in total that can accommodate up to 187 residents at Hokkaido, Japan	Refer to footnote (10)	Freehold
Elysion Gakuenmae	1,537.0 Yen ⁽¹⁾	A five-storey nursing home with 92 rooms that can accommodate up to 92 residents at Nara, Japan	Refer to footnote (10)	Freehold
Orchard Kaichi North	1,332.0 Yen ⁽¹⁾	A four-storey nursing home with 79 rooms that can accommodate up to 85 residents at Nagano, Japan	Refer to footnote (10)	Freehold
Varus Cuore Yamanote	1,018.0 Yen ⁽¹⁾	A four-storey nursing home with 59 rooms that can accommodate up to 60 residents at Hokkaido, Japan	Refer to footnote (10)	Freehold
Orchard Amanohashidate	907.0 Yen ⁽¹⁾	A nursing home consisting of a daycare service centre and 2 blocks (three-storey and two-storey) with 60 rooms in total that can accommodate up to 60 residents in Kyoto, Japan	Refer to footnote (10)	Freehold

	<u>Fair Value (millions)</u>	<u>Description</u>	<u>Ownership</u>	<u>Tenure of Land</u>
Hikari Heights Varus Ishiyama	833.0 Yen ⁽¹⁾	A nine-storey nursing home with 117 one- and two-bedded rooms that can accommodate up to 149 residents at Hokkaido, Japan	Refer to footnote (10)	Freehold
Hikari Heights Varus Tsukisamu-Koen	628.0 Yen ⁽¹⁾	A 10-storey nursing home with 58 one- and two-bedded rooms that can accommodate up to 73 residents at Hokkaido, Japan	Refer to footnote (10)	Freehold
Orchard Kaichi West	413.0 Yen ⁽¹⁾	A nursing home with 29 rooms that can accommodate up to 29 residents at Nagano, Japan	Refer to footnote (10)	Freehold
Wuxi New District Phoenix Hospital	RMB299.0 ⁽¹¹⁾	A 163-bed hospital located at no. 20, North Changjiang Road, New District, Wuxi City, China	Refer to footnote (10)	50-year leasehold expiring on 4 February 2055
Chengdu Integrated Hospital Development Project	RMB27.6 ⁽¹⁾	The plan is to build an integrated hospital development on a site at the intersection of Baolian Road and Rainbow Avenue, Lianmeng Village, Xingfu Town, Dujiangyan, Chengdu, Sichuan Province, China	Refer to footnote (10)	For commercial use: 40-year leasehold expiring on 1 February 2053 For hospital use: 50-year leasehold expiring on 1 February 2063

	<u>Fair Value (millions)</u>	<u>Description</u>	<u>Ownership</u>	<u>Tenure of Land</u>
KLCC Development Project	MYR128.0 ⁽¹²⁾	A site at No. 19 & 19A, Jalan Kia Peng, in Kuala Lumpur, Malaysia which can be potentially developed into a mixed-use development comprising medical suites, upscale retail space and serviced residences	Refer to footnote (10)	99-year leasehold expiring on 29 April 2108

Notes:

- (1) Latest valuation as at 31 December 2020.
- (2) Held through OUE C-REIT which owns 100% of the property. OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of the Guarantor, is the manager of OUE C-REIT. As at the Latest Practicable Date, the Group has a 48.0% effective interest in OUE C-REIT.
- (3) Based on the agreed property value of S\$1,267.5 million at which OUE C-REIT completed the divestment of 50% of the property on 31 March 2021.
- (4) Held through OUE C-REIT which owns 50.0% of the property as at the Latest Practicable Date, subsequent to the disposal of a 50.0% stake in March 2021.
- (5) Total fair value attributable to OUBC based on the latest valuation as at 31 December 2020 for One Raffles Place, the integrated development comprising One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall.
- (6) OUE C-REIT owns 83.33% indirect shareholding interest in OUBC, which is a beneficiary and the trustee of One Raffles Place. Through OUBC's 81.54% interest in One Raffles Place, OUE C-REIT has an effective interest of 67.95% in One Raffles Place.
- (7) Total fair value attributable to OUE C-REIT based on the latest valuation as at 31 December 2020.
- (8) The Lippo Plaza Property comprises a 91.2% share of strata ownership in Lippo Plaza and is held through OUE C-REIT which owns 100% of the Lippo Plaza Property. OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of the Guarantor, is the manager of OUE C-REIT. As at the Latest Practicable Date, the Group has a 48.0% effective interest in OUE C-REIT.
- (9) Held through OUE C-REIT which owns 100% of the property. OUE Commercial REIT Management Pte. Ltd., a wholly-owned subsidiary of the Guarantor, is the manager of OUE C-REIT. As at the Latest Practicable Date, the Group has a 48.0% effective interest in OUE C-REIT.
- (10) Held through OUELH which owns 100% of the property.
- (11) Latest valuation as at 31 December 2020. This value consists of the aggregate value of (i) existing hospital building: RMB10,000,000; (ii) land allocated to lease prepayment: RMB129,000,000; and (iii) investment properties under development: RMB160,000,000.
- (12) Forced sale value as at 31 December 2020. The forced sale value, computed at a discount of 20% of the market value, is adopted as the fair value in view of the impact of COVID-19 on the Malaysian economy and the property market outlook. OUELH had assessed that the forced sale value is a better representation of the fair value of the asset as at 31 December 2020 based on ongoing negotiations with various interested parties and available market data.

Commercial

The Group's commercial property portfolio currently consists of OUE Downtown, the OUE Bayfront Property, One Raffles Place and the Lippo Plaza Property. The Group focuses on identifying prime commercial properties for development or redevelopment.

For the financial year ended 31 December 2020, the Group's commercial and retail businesses in aggregate contributed approximately 49.9% of the Group's total revenue.

OUE Downtown 1 and OUE Downtown 2

OUE Downtown comprises two tower blocks (namely OUE Downtown 1 and OUE Downtown 2), a podium and a multi-storey car park. OUE Downtown 1, completed in 1974, is a 50-storey building comprising three vertical zones, while OUE Downtown 2, completed in 1994, is a 37-storey building. While both towers and the podium were originally used as offices, the low and mid zones of OUE Downtown 1 were converted to serviced residences, which were sold by the Group in November 2019. The original podium has been converted to a retail mall named Downtown Gallery, which commenced operations in May 2017. The OUE Downtown Offices remain as offices and was divested to OUE C-REIT in November 2018.

The Guarantor and its subsidiaries have an effective ownership interest of 48.0% as at the Latest Practicable Date in the OUE Downtown Offices.

As at 31 March 2021, OUE Downtown had a committed office occupancy rate of 92.4%.

OUE Bayfront, OUE Tower and OUE Link

In 2011, the Group completed the development of OUE Bayfront and the properties adjoining it. The development is strategically located along the waterfront of historic Collyer Quay, between the vibrant Marina Bay downtown area and the established Raffles Place financial hub. The development forms part of the loop of current and future planned attractions around Marina Bay and represents an expansion of the Group's commitment to the commercial property sector.

The OUE Bayfront Property is located within the CBD at 50, 60 and 62 Collyer Quay, and comprises an 18-storey premium Grade-A office building located at 50 Collyer Quay known as OUE Bayfront, as well as OUE Tower, a conserved aerial tower building located at 60 Collyer Quay with panoramic views of the Marina Bay landscape that is currently occupied by a fine dining restaurant, and OUE Link, a linkbridge located at 62 Collyer Quay with retail units.

OUE Bayfront is connected to OUE Link (formerly the Change Alley Linkbridge), an air-conditioned overhead pedestrian bridge that provides sheltered connection for the office population to the Raffles Place MRT station. OUE Bayfront is also connected to the Raffles Place MRT station by an underground link at the side of the building. The development has received the Building and Construction Authority of Singapore ("**BCA**") *Green Mark Gold* certification.

The entire development has a total gross floor area of approximately 503,000 sq ft and a net lettable area of approximately 400,000 sq ft. Office floor plates range up to 30,441 sq ft in gross floor area. As at 31 March 2021, the office tower had a committed tenancy rate of 98.7%.

OUE Link has a mix of retail and F&B tenants while OUE Tower is leased to the Tung Lok Group which operates "Tong Le Private Dining", a fine dining restaurant located at the revolving platform on the top floor of OUE Tower. The committed retail occupancy rate was 96.6% as at 31 March 2021.

In March 2021, the Group completed the divestment of a 50.0% interest in the OUE Bayfront Property to the Allianz Investor.

The Guarantor and its subsidiaries have an effective ownership interest of 24.0% as at the Latest Practicable Date in the OUE Bayfront Property.

One Raffles Place

One Raffles Place is a prominent landmark on the CBD skyline and is strategically located above the Raffles Place MRT interchange station. The integrated development comprises One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall, with approximately 860,000 sq ft of aggregate net lettable area.

As at 31 March 2021, One Raffles Place had committed office occupancy rate of approximately 91.7% and committed retail occupancy rate of approximately 95.9%.

One Raffles Place Tower 1

One Raffles Place Tower 1 was completed in 1986 and comprises a 62-storey Grade-A office tower with a rooftop restaurant and an observation deck.

Three additional storeys have been added to the top of the existing office tower. The two additionally constructed floors on levels 61 and 62 have been leased to a restaurant operator. The viewing gallery

at the rooftop of One Raffles Place Tower 1 is Singapore's tallest open-air viewing gallery and offers 360-degree views of the city. One Raffles Place Tower 1 was awarded the *Green Mark Gold* certification by BCA in 2016.

One Raffles Place Tower 2

One Raffles Place Tower 2 was completed in 2012 and comprises a 38-storey Grade-A office building, which attained a *Green Mark Platinum* recertification in 2017 by BCA for its efficiency and environmentally sustainable design.

One Raffles Place Shopping Mall

One Raffles Place Shopping Mall is a six-storey retail podium that has undergone extensive refurbishment works which were completed in May 2014. It is the largest purpose-built shopping mall in Raffles Place. Its basement level is seamlessly linked to the Raffles Place MRT interchange station via an underground pedestrian walkway.

One Raffles Place Tower 1 and approximately 25% of the net lettable area of One Raffles Place Shopping Mall are situated on land comprising an 841-year lease commencing 1 November 1985.

One Raffles Place Tower 2 is situated on land with a 99-year lease commencing 26 May 1983. Approximately 75% of the net lettable area of One Raffles Place Shopping Mall is situated on land with a 99-year lease commencing 1 November 1985.

In 2015, the Guarantor disposed its 83.33% interest in OUBC to OUE C-REIT. Through OUBC's 81.54% interest in One Raffles Place, OUE C-REIT holds an indirect effective interest of 67.95% in One Raffles Place as at the Latest Practicable Date. The Guarantor thus indirectly owns One Raffles Place, through its shareholding in OUE C-REIT. The disposal of the Guarantor's interest in OUBC to OUE C-REIT enables the Guarantor to unlock capital and benefit from the value added from past asset enhancement initiatives of One Raffles Place while continuing to enjoy rental income.

Lippo Plaza Property

Comprising a 91.2% share of strata ownership in Lippo Plaza, Lippo Plaza is a 36-storey Grade-A commercial building with retail podium located near the eastern end of Huaihai Zhong Road, within the established Huangpu business district in the Puxi area of downtown Shanghai. The retail podium at Lippo Plaza which was refurbished and repositioned as a prime retail mall in 2010 is home to internationally and locally recognised brand names, while the refurbishment of the office main lobby was completed in 2014.

As at 31 March 2021, Lippo Plaza Property had committed office occupancy rate of approximately 83.2% and committed retail occupancy rate of approximately 82.8%.

The Huangpu district is one of the oldest business districts in Shanghai, attracting multinational corporations, international financial institutions and local Chinese enterprises. With its unique and varied architectural styles, the precinct is also an established prime retail area in Shanghai.

Lippo Plaza is conveniently located within walking distance from the South Huangpi Road Metro station, which serves the key Metro Line 1, the main north-south line of the Shanghai Metro, as well as the Huaihai Zhong Road Station on Metro Line 13.

The Guarantor holds its interest in Lippo Plaza indirectly through its stake in OUE C-REIT.

Hospitality

For the financial year ended 31 December 2020, the Group's hospitality business contributed approximately 16.1% of the Group's total revenue.

Below is a description of the Group's key hospitality properties.

Mandarin Orchard Singapore

Mandarin Orchard Singapore is located at 333 Orchard Road, Singapore. The land is on a 99-year lease from The Ngee Ann Kongsi from 1 July 1957. OUE C-REIT owns 100% of the building and as at the Latest Practicable Date, the Guarantor has an effective 48.0% ownership interest in the hotel through its stake in OUE C-REIT.

The hotel has a total gross floor area of approximately 990,000 sq ft. With a 39-storey Orchard Wing and a 37-storey Main Tower, the property houses 1,077 rooms and over 30,000 sq ft of meeting and function space, including a column-free grand ballroom.

In November 2009, the Group completed a major refurbishment of Mandarin Orchard Singapore that included a new façade, new F&B outlets, a fitness centre, a business centre and new meeting rooms. This refurbishment programme was undertaken to complement the launch of the adjacent Mandarin Gallery and create a combined hospitality and retail experience.

In its drive to continue upgrading the hospitality experience for its customers, the Group opened the “Meritus Club Lounge at Top of the M” in 2013, an executive club facility located on levels 38 and 39 of the hotel’s Orchard Wing, and officially launched a new Japanese Sichuan restaurant, “Shisen Hanten by Chen Kentaro”, located on level 35 of the hotel’s Orchard Wing. The new restaurant is a franchise collaboration between the Group and Shisen Hanten, Japan’s long established and highly acclaimed chain of Sichuan restaurants. This restaurant was awarded two stars in the Michelin Guide Singapore from 2016 to 2019, making it the highest Michelin-rated Chinese restaurant in Singapore for four years running. The Group also completed the refurbishment of 430 guest rooms in 2017.

In addition, new meeting suites were completed at both towers of Mandarin Orchard Singapore, allowing the hotel to attract and cater to a wider range of banquet and conference requirements.

Mandarin Orchard Singapore was named *Best City Hotel – Singapore* at the TTG Travel Awards 2010 and 2013 to 2019; *Best Upscale Hotel – Asia Pacific* at the Travel Weekly Asia Readers’ Choice Awards 2019; and achieved the *Green Mark* certification by the BCA in 2020, for demonstrating overall environmental performance and best practices as they relate to sustainable design, construction, and operations. In 2020, the hotel and its restaurants – Shisen Hanten by Chen Kentaro, Triple Three and Chatterbox – were awarded the SG Clean quality mark by the Singapore Tourism Board and Enterprise Singapore in recognition of meeting strict sanitation and hygiene measures, and were also among the TripAdvisor Travellers’ Choice Award winners.

The Guarantor maintains the ability to operate Mandarin Orchard Singapore via a master lease agreement. The Guarantor will, through the master lease, remain involved in the long-term growth and development of Mandarin Orchard Singapore and continue to derive income from the hotel. OUE C-REIT presently owns 100% of the hotel and the Guarantor continues to have an ownership interest in the hotel through its stake in OUE C-REIT.

As announced by the Guarantor and OUE C-REIT on 26 March 2020, the Guarantor has entered into a branding and management agreement with Conrad International Management Services (Singapore) Pte. Ltd., pursuant to which the hotel will be re-branded as Hilton Singapore Orchard. The hotel will undergo refurbishment works to align the property to the “Hilton” brand standards and to create additional areas to cater to the growing demand for business and MICE facilities. Asset enhancement works will be carried out in phases throughout 2021 and the property is expected to be relaunched in 2022.

Crowne Plaza Changi Airport (CPCA)

CPCA is a business hotel located at 75 Airport Boulevard, Singapore 819664.

It is a 563-room business hotel managed by the InterContinental Hotels Group. The hotel comprises 320 rooms in the main building and 243 rooms in an adjacent extension joined via a covered linkway. It is directly connected to the arrival and departure levels of Changi Airport Terminal 3, and to the Singapore city centre by expressway and Mass Rapid Transit. Corporate travellers can also enjoy ease of access to Jewel Changi Airport, Changi Business Park and Singapore EXPO Convention & Exhibition Centre located a short distance away.

The hotel, including its 10-storey extension that was completed in 2016, was designed by award-winning architectural firm WOHA Architects Pte. Ltd. The enlarged CPCA consists of a combined total of 563 rooms with the main building connected to the extension by a covered link-way on the second floor of the hotel. It also offers a range of dining options as well as eight meeting rooms, including the column-free Chengal Ballroom. CPCA was voted *World’s Best Airport Hotel* as well as *Best Airport Hotel in Asia* at the Skytrax World Airport Awards for six consecutive years from 2015 to 2020. The hotel has also been awarded the Green Hotel Award by the Singapore Hotel Association and was crowned Best Airport Hotel in Asia-Pacific in the Business Traveller Asia-Pacific Awards.

The Guarantor maintains the ability to operate CPCA via the Master Lease Agreement. The Guarantor will, through the master lease, remain involved in the long-term growth and development of CPCA and

continue to derive income from the hotel. OUE C-REIT presently owns 100% of the hotel and the Guarantor continues to have an ownership interest in the hotel through its stake in OUE C-REIT.

Retail

The Group is also engaged in the retail property development business. In 2009, the Group launched Mandarin Gallery, transforming the former shopping space of Mandarin Orchard Singapore into a prime retail space. In 2017, the Group launched Downtown Gallery via converting the original podium at OUE Downtown into a retail mall. Mandarin Gallery and Downtown Gallery are examples of the Group's ability to unlock value through asset enhancement initiatives.

The Group adopts a tailored approach to marketing its retail space. Its marketing team's goal is to maintain and enhance the appeal of retail properties managed by the Group. The Group seeks to maintain a given retail property's focus on its respective target audience, making adjustments to suit changes in economic and retail trends via targeted changes that maintain a given property's specific image in the eyes of relevant consumers.

For the financial year ended 31 December 2020, the Group's commercial and retail businesses in aggregate contributed approximately 49.9% of the Group's total revenue.

Downtown Gallery

Completed in March 2017 after the conversion of the original podium at OUE Downtown, Downtown Gallery offers approximately 150,000 sq ft of net lettable area over six levels, including one basement level, with a prominent 262-metre-wide frontage and pedestrian walkway. Downtown Gallery, which commenced operations in May 2017 and officially opened in January 2018, offers unique and innovative retail, dining, lifestyle and wellness experiences. Centered on the concept of Eat Well, Look Well, Keep Well, Downtown Gallery houses concepts that correspond to the Guarantor's vision to inject vibrancy into the retail landscape and create an all-encompassing work-live-play community and destination for shoppers. The Group currently owns 100% of Downtown Gallery.

As at 31 March 2021, Downtown Gallery had a committed occupancy of 91.7%.

Mandarin Gallery

Completed in November 2009 after undergoing renovation at a cost of approximately S\$200 million to transform it into a high-end shopping and lifestyle destination, Mandarin Gallery features four duplexes housing upscale international fashion brands. Mandarin Gallery is a high-end retail space which occupies the first four floors of 333A Orchard Road and sits directly beneath the Mandarin Orchard Singapore hotel. It has a wide main frontage of 152 metres along Orchard Road, providing a high degree of visibility. Mandarin Gallery comprises a total gross floor area of approximately 196,000 sq ft with a net lettable area of approximately 126,000 sq ft. Mandarin Gallery commenced operations in November 2009 and officially opened on 28 January 2010. The tenant profile includes premium brands such as Michael Kors and Victoria's Secret, which opened their flagship stores at Mandarin Gallery. OUE C-REIT owns 100% of the building and as at the Latest Practicable Date, the Guarantor has an effective 48.0% ownership interest in Mandarin Gallery through its stake in OUE C-REIT.

As at 31 March 2021, Mandarin Gallery had a committed tenancy rate of approximately 91.6% (excluding pop-up stores).

One Raffles Place Shopping Mall

One Raffles Place Shopping Mall is a six-storey retail podium offering a diverse array of shopping, dining, health and wellness services, as well as flexible workspace solutions. It is the largest purpose-built shopping mall in Raffles Place and has a direct underground link to the Raffles Place MRT station. Asset enhancement works completed in 2019 improved circulation and store visibility, creating a more enjoyable and enticing experience. New dining and leisure options expanded and revitalised the mall's offerings, reinforcing its appeal as a lunch spot for the office crowd and a destination for shopping, dining and socialising beyond office hours. The mall was also transformed with the addition of *Spaces*, a co-working concept by IWG plc featuring three meeting rooms, 18 dedicated desks and over 500 workstations.

As at 31 March 2021, One Raffles Place Shopping Mall had a committed tenancy rate of approximately 95.9%.

The Group negotiates leases individually with each tenant, using its standard set of lease terms as the starting point. The leases are generally for a three-year period, with an option for the tenant to extend the lease for a further three-year period.

Residential

The Group is also engaged in the residential property development business and has completed its development of OUE Twin Peaks. The Guarantor had in 2016 acquired two freehold land parcels at Nassim Road through its subsidiary OUE Reef Development Pte. Ltd. Development of a good class bungalow on the land parcels was completed in 2019 and the property was sold in August 2019. The Group outsources the construction and sales functions within the residential segment to third parties.

For the financial year ended 31 December 2020, the Group's residential business contributed approximately 26.4% of the Group's total revenue and as at 31 December 2020, the book value of the Group's development property was \$29.0 million.

OUE Twin Peaks

OUE Twin Peaks (formerly known as Twin Peaks and renamed in 2014) is located near Orchard Road in Singapore, at 33 Leonie Hill Road. The development was undertaken by Cove Development Pte. Ltd., the Guarantor's wholly-owned subsidiary. The Group acquired the property in 2008 and commenced sales of units in September 2010. OUE Twin Peaks is the first condominium in Singapore to be sold in fully-furnished, ready-to-live-in condition. Its two identical 35-storey blocks with a total of 462 units have been configured into eight luxury unit layouts in each block. The property comprises a total gross floor area of approximately 436,000 sq ft.

The elevated site of the property provides views of the Orchard Road shopping belt and the city. The layout of the units offers the option to combine one-bedroom with two-bedroom or three-bedroom units to accommodate the needs of a variety of household sizes. The units are distinct yet easily connected and intended to attract singles and young couples as well as extended families that wish to live together while maintaining their own personal space.

The Group has a 99-year lease on the land from 10 May 2010 and obtained the temporary occupation permit status for OUE Twin Peaks in February 2015 and certificate of statutory completion in July 2015.

Healthcare

As described in "*History and Background*" above, in 2017, the Group diversified into the healthcare business through its acquisition of OUELH. OUELH is a Pan-Asian healthcare group that owns, operates and invests in quality healthcare assets in high-growth Asian markets. It currently owns 12 nursing homes in Japan and is also operating one hospital and developing another hospital in China. It also has a stake in the joint venture companies that own and operate seven medical facilities in Myanmar. In addition, OUELH and the Guarantor hold a 40% and 60% stake, respectively, in First REIT Management Limited. First REIT Management Limited is the manager of First REIT, Singapore's first listed healthcare REIT. The Guarantor's effective interest in First REIT (via the Guarantor's wholly-owned subsidiary, OUELH and First REIT Management Limited) is approximately 22.6% as at the Latest Practicable Date.

Through OUELH, the Group is poised to benefit from the rapidly increasing healthcare demand in Asia that is driven by growing affluence, technological developments and ageing populations. OUELH continually seeks to grow its healthcare businesses in Asia via its three-pronged strategy of developing strategic partnerships, growing its Pan-Asian presence and adopting an asset-light approach.

However, the escalation of the COVID-19 outbreak has created widespread global uncertainty and consequential lifestyle changes, which may include a reduced rate of patients visiting hospitals. With the growing severity of the outbreak and its uncertain eventualities, OUELH remains prudent about its healthcare operations in Asia and is actively monitoring the rapidly evolving situation. As there is no visibility on when the COVID-19 outbreak will end, there may be some impact on the timeline of the development projects of OUELH.

In addition, with the recent military coup and subsequent state of emergency declared by Myanmar's military junta in February 2021, the overall outlook for Myanmar, which is one of the markets that OUELH has invested in through joint ventures (collectively, the "**Myanmar Group**"), is likely to be

challenging. As at 31 December 2020, the carrying amount of the Group's investment in the Myanmar Group amounted to approximately S\$25.8 million. The Myanmar Group operates three hospitals and four clinics in Myanmar. Though their operations are still ongoing, OUEH will continue to closely monitor the developments in Myanmar and their impact on its business operations, and has developed contingency plans to respond to the dynamic situation.

For the financial year ended 31 December 2020, the Group's healthcare business contributed approximately 5.5% of the Group's total revenue.

Consumer

OUE Restaurants' elevated focus on authentic dining experiences caters to diverse local and international palates. In 2019, the Group expanded its footprint with the acquisition of a 49.7% stake in Superfood Retail Limited, which owns and operates cafes and restaurants under the Delifrance and Alfafa brands in Singapore and Hong Kong. The acquisition is a natural complement to the Group's current portfolio and has provided the Group with an immediate footprint in these two markets as well as access to an experienced F&B team. OUE Restaurants' brands include VUE spritz bar and grill, perched at the top of OUE Bayfront with panoramic Marina Bay views; Takayama at Downtown Gallery and Hashida Singapore, offering refined Japanese cuisine; two-Michelin-starred Shisen Hanten by Chen Kentaro and Chatterbox, home of the legendary Mandarin Chicken Rice, both located within Mandarin Orchard Singapore; and Hong Kong's Lippo Chiuchow restaurant, a place for celebratory occasions serving traditional Teochew cuisine.

OUE Restaurants brings the signature flavours of Chatterbox and Shisen Hanten to a wider audience in a collection of fast casual brands, namely Chatterbox Café, Chatterbox Express and Chen's Mapo Tofu, which offers Szechwan classics served donburi-style. In October 2020, Chatterbox Express launched in Hong Kong, the brand's first destination outside Singapore. Other fast casual and all-day dining brands include French café Delifrance; Alfafa, offering hearty European-style comfort food; and Maxx Coffee, a contemporary coffee shop.

For the financial year ended 31 December 2020, the Group's consumer business contributed approximately 1.9% of the Group's total revenue.

As announced by the Guarantor on 5 May 2021, OUE Retail Holdings Pte. Ltd. ("**OUE Retail Holdings**"), a wholly-owned subsidiary of the Guarantor, has together with a joint venture partner Auric Bespoke I Pte. Ltd. ("**ABIPL**") established ADRPL, a joint venture company. ABIPL and OUE Retail Holdings hold 60.0% and 40.0% of the issued share capital of ADRPL, respectively, and ADRPL will be an indirect associated company of the Guarantor. ADRPL is in the process of acquiring a controlling stake of up to 50.12% in Matahari, by way of a voluntary tender offer and purchases from existing shareholders of Matahari, subject to fulfilment of certain conditions precedent. Matahari is in the business of retailing of consumer goods, including clothes, accessories, bags, shoes, cosmetics and household products, in Indonesia, and its acquisition will allow the Group to further expand its consumer division footprint. Based on the latest audited consolidated financial statements of Matahari for FY 2020, the book value of Matahari and its subsidiaries was approximately IDR581,110 million.

4. Competitive Strengths

The Group believes that the following competitive strengths have enabled and will continue to enable it to compete effectively in the commercial, hospitality, retail, residential and healthcare segments of the real estate market in Singapore and overseas.

Unique Capabilities Across Multiple Market Segments

The Group is one of the real estate owners and developers in Singapore with operating capabilities in each of the commercial, hospitality, retail, residential and healthcare real estate segments. The Group believes this capability is unique as the Group is able to maximise rental yield by configuring a given gross floor area to effectively suit the space requirements of two or more property segments. For example, the Group utilised its hospitality and retail segment capabilities by successfully reconfiguring the hotel lobby and former retail space of Mandarin Orchard Singapore into Mandarin Gallery. This mix generates recurring income from both the Group's hotel operations and rental from retail tenants.

The Group's redevelopment of the OUE Bayfront Property, One Raffles Place and OUE Downtown tapped on its ability to provide for an optimal mix between the commercial, retail and hospitality segments. This is increasingly important as land becomes scarce and expensive in the prime areas of

Singapore, particularly in the CBD, which is the downtown business and commercial district of Singapore. The Group's capabilities across multiple property segments allow it to evaluate and, where appropriate, pursue a wide range of opportunistic investments in Singapore. The Group also believes that its capabilities across multiple segments in the property sector positions the Group for potential investments overseas should suitable opportunities present themselves.

With its entry into the fund management business through the establishment of REITs, its capabilities are further expanded. OUE C-REIT and OUE H-Trust transformed the Guarantor's development, management and operational businesses into an integrated model which enhanced the Guarantor's ability to expand its portfolio of hospitality, commercial and retail property assets across different geographical regions. The Merger created one of the largest diversified Singapore-listed REITs, with a larger capital base and broadened investment mandate which provides flexibility to drive long-term growth. The Guarantor and OUE C-REIT thus form an integrated platform with the ability to develop, manage and acquire new real estate assets.

The acquisition of OUE LH also provided the Group with exposure to the growth potential of the healthcare segment in Asia. Through OUE LH, the Group is poised to benefit from the rapidly increasing healthcare demand in Asia that is driven by growing affluence, technological developments and ageing populations.

High-Quality Asset Base Focused on Strategic and Prime Locations Primarily in Singapore

The Group believes that its portfolio is unique with approximately 72.3% of its non-current assets as at 31 December 2020 located in Singapore. The Group develops and manages prime real estate across its four property segments concentrated mainly in Singapore and the Group continues its plans to keep its focus on high-end properties in prime locations in Singapore. The Group believes that such properties will be able to better hold their value over the longer term because of their scarcity and exclusivity.

While the Group remains committed to Singapore to make up its property portfolio, the Group believes that the Singapore economy will be undergoing a period of restructuring and that the property sector will remain a challenging business environment. The Group plans to diversify and expand into new geographic areas and is open to exploring potential and promising investment opportunities overseas should suitable investment opportunities present themselves.

Mandarin Orchard Singapore, Mandarin Gallery, OUE Downtown, OUE Bayfront, One Raffles Place and OUE Twin Peaks are some examples of the nature of the prime quality and locations of the Group's properties across its multiple property segments. Please see the section "*Business Operations*" for further details of these properties.

Track Record in Unlocking Value through Asset Enhancement

The Group has a track record of enhancing existing assets to create additional value for its stakeholders. The following sets out the redevelopment works undertaken by the Group on selected assets:

- **Mandarin Gallery**

Mandarin Gallery is an example of the Group's ability to enhance existing assets to add value to its income stream. In late 2007, the Group saw the opportunity to convert, amongst others, the former hotel lobby and retail spaces of Mandarin Orchard Singapore into valuable retail space. The extensive renovation carried out at a cost of approximately S\$200 million resulted in a high-end shopping and lifestyle destination with a sophisticated tenant mix and a 152 metre-long Orchard Road frontage. As at 31 March 2021, Mandarin Gallery had a committed tenancy rate of approximately 91.6%. In 2013, Mandarin Gallery was injected into OUE H-Trust for S\$525 million.

Please see the section "*Business Operations – Retail*" for further details.

- **OUE Bayfront**

The Group took the opportunity to redevelop an existing building housing a restaurant and other facilities, located on prime land in the CBD fronting Marina Bay and the Marina Bay Sands integrated resort. The Group applied for and received regulatory approval to extend the 99-year lease and transform the building into an 18-storey Grade-A office building with retail spaces. The OUE Bayfront Property houses the Group's head office and as at 31 March 2021 had 98.7% committed office

occupancies with a high quality tenant base. In 2014, the OUE Bayfront Property was injected into OUE C-REIT for S\$1,005 million.

Please see the section “– *Business Operations – Commercial*” for further details.

- **Downtown Gallery**

The Group has completed the conversion of the original podium at OUE Downtown into Downtown Gallery, which offers bold new retail and dining concepts across six levels, with a prominent 262-metre-wide frontage and pedestrian walkway. Downtown Gallery commenced operations in May 2017 and officially opened in January 2018.

Please see the section “– *Business Operations – Retail*” for further details.

Premium Quality Hospitality Services

The Group believes that its experience and ability to deliver quality hospitality services, as well as the recognition accorded to the Group by the hospitality industry and guests, enable it to market its hotels as premium properties.

The Group partners with premium hotel operators whose proven experience, extensive distribution channels and loyalty programmes help drive long-term value. The numerous awards conferred on the Group by various industry bodies reflect the strong public recognition it has gained for the high quality of its hospitality operations and properties. These distinctions enable the Group to command a strong market presence in Singapore and have been instrumental in firmly establishing the Group’s hospitality operations as being associated with quality.

As described above, Mandarin Orchard Singapore will be re-branded as Hilton Singapore Orchard. The hotel will undergo refurbishment works to align the property to the “Hilton” brand standards and to create additional areas to cater to the growing demand for business and MICE facilities. The re-branding is intended to tap on Hilton’s strong brand recognition and enhance the hotel’s competitive positioning alongside other upscale hotels along Orchard Road, and the hotel stands to benefit from Hilton’s strong global distribution network and pipeline of global key accounts and established partnerships with global travel companies.

Financially Well-Positioned to Take Advantage of Attractive Expansion Opportunities

As at 31 December 2020, the Group had S\$559.5 million (including pledged deposits of S\$38.9 million) in cash and cash equivalents. 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 to further capitalise on emerging investment opportunities in its focus markets. These opportunities include acquisitions of land for new property development and existing properties for redevelopment.

Business Strategies

The Group intends to continue its focus on diversifying investments across the prime hospitality, retail and commercial real estate sectors in Singapore and to develop prime residential properties for sale in Singapore. From a stable portfolio of hotel and commercial properties, the Group has since diversified its business into the commercial, retail, residential, healthcare and consumer sectors and expanded its portfolio of properties with the aim of building a strong recurrent income stream to create strong cash flows to pursue its business objectives. The Group plans to adopt the following strategies to drive its future growth and enhance shareholder value.

Continue to Focus on Prime Real Estate in Singapore

The Group differentiates itself from other real estate competitors by focusing predominantly on the Singapore market. As at 31 December 2020, approximately 72.3% of the Group’s non-current assets were located in Singapore. The Group plans to continue to focus on prime real estate in prime locations in Singapore and continue to hold the majority of its non-current assets in Singapore. The Group believes this will allow it to continue leveraging its knowledge, experience, and relationships in the Singapore market.

The Group intends to maintain at least 70% of its holdings comprising property assets, allowing for up to 30% of its holdings to be allocated to ancillary business activities and/or investments such as in its

healthcare and consumer business segments. Although the Group plans to remain predominantly Singapore focused, it remains open to expanding its global footprint by diversifying into new geographic areas and businesses if the opportunity arises.

Leverage and Continue to Build the Group's Recurring Income

It is the Group's intention to build up a stable recurring income stream from its commercial, hospitality and retail properties and fund management activities. The Group believes that the expected recurring income from such activities will allow it to build a strong cash flow position.

Maximise Earnings Potential Through Active Asset Management and Timely Leasing Strategy

The Group leverages its strengths to maximise its earnings potential through active asset management, in order to achieve a consistently high quality tenant base and to enhance and extract value from its assets. The Group's active asset management strategy includes focusing on improving rentals while maintaining high occupancy rates, diversifying tenant base across different industries, delivering quality services to tenants, improving operational efficiency and reducing operating costs. The Group will continue to utilise such active asset management strategies for its property portfolio to improve yields and maximise returns.

Fund Management Business Division to Derive Incremental Income Streams

The establishment of OUE C-REIT and OUE H-Trust allowed the Guarantor to add fund management as an additional dimension to its overall business strategy and benefit from stability in income streams generated from such a business. The Merger created one of the largest diversified Singapore-listed REITs, with a larger capital base and broadened investment mandate which provides flexibility to drive long-term growth.

The REIT manager for OUE C-REIT, which is a wholly-owned subsidiary of the Guarantor, will receive recurring management fees for the provision of assets management, enhancement, investment and capital management strategy for OUE C-REIT. In addition, the REIT manager will earn an acquisition fee and a divestment fee for any successful acquisitions and divestment of properties on behalf of OUE C-REIT. The management fee, the acquisition fee, the divestment fee and the development management fee to be received by the REIT manager will generate an additional source of income for the Group.

The acquisition of First REIT Management Limited, the manager of First REIT, was also part of the Group's ongoing strategy to create a sizeable asset management platform comprising diversified REITs.

The Group sees a REIT structure as a capital-efficient and tax-efficient asset-owning vehicle and will continue to inject properties into a REIT if it is deemed suitable in the future. The Group is continuously on the lookout for attractive opportunities both locally and overseas with a prudent approach in capital structure that will drive financial returns for shareholders. The moneys raised can be used for reinvestment by the Guarantor in acquisition of new assets and operations.

Expansion into Healthcare Sector

OUE LH strives to become a leading healthcare company in Asia by strengthening its healthcare businesses via its three-pronged growth strategy of establishing strategic partnerships, building its asset-light business and growing its Pan-Asian presence.

Through OUE LH, the Group is well-positioned to benefit from the rapidly increasing healthcare expenditure in Asia that is driven by the region's ageing populations, governmental support, growing affluence and technological developments.

The Group's expansion into the healthcare sector is a strategic fit to the Group's existing asset portfolio comprising commercial, hospitality and retail properties.

With a strong track record in property development, the Group is able to leverage on its experiences and value-add to OUE LH's businesses with regards to healthcare opportunities relating to real estate development and asset management as OUE LH continues to grow.

GENERAL INFORMATION

Intellectual Property

The Group currently has registered and applied to register trademarks in multiple classes in Austria, Australia, Benelux, Bulgaria, Canada, China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, European Union, Finland, France, Germany, Greece, Hong Kong, Hungary, Indonesia, Ireland, Italy, Japan, Jersey, Laos, Latvia, Lithuania, Malaysia, Malta, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Taiwan, Thailand, Turkey, the UK, the United States and Vietnam.

In Singapore, a registered trademark grants the registered owner within the Group certain rights and remedies under the Trade Marks Act, Chapter 332 of Singapore (the “Act”). These rights include an exclusive right to use the trademark and to authorise other persons to use the trademark, in relation to the goods or services for which the trademark is registered. As a registered trademark holder, the Group is entitled to available relief under the Act for infringement of the Group’s registered trademarks. Such right is generally granted for a period of 10 years and may be available for further renewal for ten-year blocks in accordance with the conditions set out in the Act. Apart from registered trademark rights, the Group’s trademarks may also benefit from common law protection (for applicable countries) that would apply to the goodwill generated from the Group’s various businesses in respect of these various trademarks.

The Group recognises the importance of its intellectual property, particularly its trademarks, to its strong brand recognition and its ability to compete successfully in the competitive markets in which the Group participates. In recent years, the Group has also built up goodwill and trademark value in the “OUE” brand and the “Chatterbox” brand and believes that the brands have achieved sufficient name recognition that they are now two of the Group’s key brands.

Insurance

The Group maintains general insurance coverage for its businesses, including industrial all risks insurance, business interruption insurance, fidelity guarantee, money insurance, public liability insurance and professional indemnity insurance.

Environmental and Safety Features

The Group is subject to the laws of the countries in which it operates. In particular, the Group’s operations are subject to regulatory requirements and potential liabilities arising under applicable environmental laws and regulations in Singapore, such as the Control of Vectors and Pesticides Act, Chapter 59 of Singapore on pesticides and vectors control, the Environmental Protection and Management Act, Chapter 94A of Singapore on pollution and noise control, and the Environmental Public Health Act, Chapter 95 of Singapore on cleanliness, sanitation and waste disposal.

Additionally, all Urban Redevelopment Authority of Singapore planning permission submissions after 15 April 2008 in respect of building works with gross floor area of 2,000 square metres or more must meet the minimum environmental sustainability standard stipulated in the Building Control (Environmental Sustainability) Regulations 2008 under the Building Control Act, Chapter 29 of Singapore. The environmental sustainability standard of a building development is determined by the level of environmental performance and its numerical scores (i.e. *Green Mark* points) achieved in accordance with the degree of compliance with applicable criteria. The scoring methodology is specified in the Code for Environmental Sustainability of Buildings. The criteria are: (i) energy efficiency; (ii) water efficiency; (iii) design, practices and selection of materials and resources that would reduce the environmental impacts of built structures; (iv) design strategies that would enhance the indoor environmental quality; and (v) adoption of green practices and new technologies that are innovative and have potential environmental benefits.

The Group’s properties are certified under the BCA *Green Mark* Scheme, which was launched by BCA in January 2005 as a green building rating system to evaluate buildings for their environmental impact and performance. It aims to promote a sustainable built environment by incorporating best practices in environmental design and construction, and the adoption of green building technologies. Criteria for a *Green Mark* rating include energy, water and waste efficiency, environmental protection, indoor environmental quality and green innovations.

The Group’s properties certified under the BCA *Green Mark* Scheme are One Raffles Place (comprising One Raffles Place Tower 1 and Tower 2 and One Raffles Place shopping mall, of which

Tower 2 is certified BCA *Green Mark Platinum* and Tower 1 is certified BCA *Green Mark Gold*), OUE Bayfront (Gold), Downtown Gallery (Gold), Mandarin Gallery, Mandarin Orchard Singapore (Certified) and Crowne Plaza Changi Airport.

As part of the Group's emphasis on cultivating a strong safety culture in the workplace, the Group has implemented an occupational health and safety management framework, which takes reference from the Ministry of Manpower's Workplace Safety and Health Act, Chapter 354A of Singapore.

Staff

As at 31 December 2020, the Group and its managed hotels have approximately 1,000 full-time employees.

Legal Issues and Proceedings

From time to time, the Group may face various legal issues or be involved in proceedings. Described below are those material issues and proceedings involving the Group as at the Latest Practicable Date.

OUELH

There are several material litigation cases concerning OUELH.

(a) *Litigation cases with Enterprise Fund III Ltd, Value Monetization III Ltd and VMF3 Ltd (collectively, the "Funds")*

On 15 April 2016, the Funds appointed receivers ("**Receivers**") over the entire issued share capital of IHC Medical RE Pte. Ltd. ("**IHC Medical**"), IHC Management Pte. Ltd. ("**IHC Management**") and IHC Management (Australia) Pty Ltd ("**IHC Australia**"), which are wholly-owned subsidiaries of OUELH, in connection with the notices of default issued by the Funds alleging that OUELH together with IHC Medical, owe the Funds a certain sum of money (including outstanding interest).

OUELH commenced proceedings against Crest Capital Asia Pte. Ltd., Crest Catalyst Equity Pte. Ltd., the Funds (collectively, the "**Crest Entities**"), Fan Kow Hin ("**Fan**"), Aathar Ah Kong Andrew and Lim Beng Choo ("**Lim**") to, amongst others, challenge the sum claimed under the notices of default.

Separately, the Funds counter-sued for damages, on the basis that the OUELH Group has deprived the Funds of the alleged security over the shares of IHC Medical, IHC Management and IHC Australia and had caused losses to the Funds as a result of the diminution in the value of the shares. The Funds have since withdrawn this action in July 2019, and paid costs to OUELH Group.

On 9 July 2020, the High Court issued a judgment in favour of OUELH and dismissed the Crest Entities' counterclaims in full. Following this judgment, the Receivers have been discharged on 18 August 2020. The Crest Entities, Fan and Lim appealed. On 30 March 2021, the Court of Appeal dismissed Fan and Lim's counterclaims in full, and partially allowed the appeal by the Crest Entities insofar as Value Monetization III Ltd and VMF3 Ltd are not held to be liable for damages and costs.

In 2017, OUELH commenced further proceedings for a declaration that it had validly avoided one of the loan facilities for contravention of Section 76 of the Companies Act. The High Court ruled in favour of OUELH in July 2018, and OUELH's position was affirmed by the Court of Appeal in September 2019. Both OUELH and the Funds have since commenced proceedings for statutory relief under the Companies Act arising from the avoidance of the loan facility.

As at the Latest Practicable Date, the aforementioned proceedings are still ongoing.

Additionally, OUELH also commenced proceedings against the Receivers and the Funds to set aside the purported sale of the entire issued share capital of IHC Medical by the Receivers to the Funds for US\$1. On 24 July 2020, parties reached a settlement agreement for IHC Medical to be transferred back to OUELH. This transfer was completed on 14 August 2020 and the proceedings have since been withdrawn.

(b) *Litigation cases with a non-controlling shareholder of certain subsidiaries of OUELH ("**Individual A**")*

In 2013 (i.e. four years before the Group's acquisition of OUELH), OUELH acquired 74.97% effective interest over Health Kind International Limited ("**HKIL**") and its subsidiaries, which are

Health Kind International (Shanghai) Co., Ltd. (“**HKIS**”) and Wuxi New District Phoenix Hospital Co., Ltd. (“**WNDH**”). OUELH acquired its interests from two individuals, including Individual A.

In 2017, Weixin Hospital Investment Management (Shanghai) Co. Ltd (“**Weixin**”), a company controlled by Individual A, sought a court order for the shares in WNDH to be transferred to Weixin. The Shanghai Courts have rendered a judgment and appeal judgment in favour of Weixin.

In 2018, OUELH commenced arbitration proceedings in Singapore against Individual A. On 7 January 2019, OUELH successfully obtained a Final Arbitration Award (“**Award**”) against Individual A. Individual A is required to pay OUELH (a) RMB58,837,898.20, (b) US\$32,840,185.87, (c) S\$842,822.66, as well as (d) interest at a rate of 5.33% per annum from the date of the Award to the date of full payment.

OUELH has since commenced recognition and enforcement proceedings against Individual A in Singapore, Hong Kong, Taiwan and the PRC:

Singapore

- (i) On 28 November 2019, OUELH obtained a Singapore judgment against Individual A in terms of the Award, which enables OUELH to enforce the Award as though it is a decision of the Singapore High Court.

Hong Kong

- (i) On 15 January 2019, OUELH obtained leave to recognise and enforce the Award as a Hong Kong judgment in Hong Kong. On the same date, OUELH obtained an interim Mareva injunction against Individual A to prevent Individual A from dealing with Individual A’s assets in Hong Kong up to the value of RMB58,837,898.20, US\$32,840,185.87 and S\$842,822.66.
- (ii) On 2 December 2019, the Hong Kong Court granted Garnishee Orders Absolute over the monies in Individual A’s bank accounts with Chiyu Bank Corporation Limited and the Bank of China (Hong Kong) Limited.
- (iii) On 18 November 2019, OUELH obtained a Charging Order Absolute (final charging) over Individual A’s shares in Healthcare Solution Investment Limited, the holding company of Weixin. On 1 November 2019, OUELH obtained an order to appoint receivers over Individual A’s interests in the shares in Healthcare Solution Investment Limited.
- (iv) On 30 October 2019, the Company obtained a Charging Order Absolute over 1,054,330,333 ordinary shares held by Individual A in Hong Kong Life Sciences and Technologies Group Ltd.

Taiwan

- (i) On 31 December 2019, OUELH obtained a final order from the Taiwan High Court recognising the Award in Taiwan. On 31 March 2020, OUELH filed a brief to commence final enforcement proceedings against Individual A. On 16 April 2020, the Taipei District Court granted and commenced the final enforcement proceedings.
- (ii) Individual A’s one-quarter share of the real estate was sold via a court auction in January 2021, as part of the enforcement proceedings.
- (iii) In March 2021, OUELH received the deposit and trust assets held by Individual A in his bank accounts in Taiwan.
- (iv) The enforcement proceedings are ongoing.

PRC

- (i) On 30 January 2019, OUELH commenced proceedings before the Shanghai No. 1 Intermediate Court to recognise and enforce the Award. On 20 April 2020, the Shanghai No. 1 Intermediate Court granted an order recognising the Award.
- (ii) Separately on 6 December 2019, OUELH obtained an order from the Shanghai No. 1 Intermediate Court to freeze up to RMB 20 million of Individual A’s assets in PRC (“**Preservation Order**”), pending the aforementioned Shanghai recognition and enforcement proceedings.

- (iii) In March 2021, OUE LH received certain monies previously preserved under the Preservation Order, as part of the enforcement proceedings.
- (iv) The enforcement proceedings are ongoing.

Easement Rights

The land on which Mandarin Orchard Singapore and Mandarin Gallery are situated, and its neighbouring land, each enjoys and is subject to easement rights over and against the other. Such easement rights were granted by the original lessee of the land and the said neighbouring land. Historically, the rights of use have not been strictly adhered to by all parties. The Guarantor does not rule out any proceedings arising in connection with the easement rights and is of the view that any claim would likely be for damages. Any claim for damages which is to be paid by OUE C-REIT may affect the payment of distributions by OUE C-REIT to the Group.

To the best of the Guarantor's knowledge, there are no other outstanding material legal issues or legal proceedings involving the Group.

MANAGEMENT AND CORPORATE GOVERNANCE

Management Reporting Structure

The Board is entrusted with the responsibility for the Guarantor's overall strategic direction, including establishing goals for management and monitoring the achievement of these goals.

The Guarantor's Constitution provides that the number of Directors shall not be less than two. Currently, the Board comprises six members: one Executive Chairman and Group Chief Executive Officer, one Deputy Chairman and Non-Executive Non-Independent Director, two Independent Directors, one Deputy Chief Executive Officer and Executive Director, and one Non-Executive, Non-Independent Director.

The Guarantor's management team is led by Dr. Stephen Riady, who is the Guarantor's Executive Chairman and Group Chief Executive Officer. He has overall responsibility for the management, organisation, operation and development of the Group and all matters arising therefrom.

The Guarantor's Executive Chairman, in consultation with the management, sets the agenda for the Board meetings and ensures that they are held regularly and whenever necessary and seeks to ensure that the Directors receive timely, clear and adequate information. As part of the Executive Chairman's responsibilities, he also seeks to ensure that good standards of corporate governance are promoted and adhered to within the Guarantor and by all Directors.

The two independent Directors (within the meaning of the Code of Corporate Governance 2018) are Mr. Kelvin Lo Kee Wai and Mr. Sin Boon Ann. The independent Directors have demonstrated an ability to exercise sound and independent judgment in deliberations in the interests of the Guarantor. As the Executive Chairman is not independent, the Board has appointed Mr. Sin Boon Ann as the Lead Independent Director with effect from 17 February 2017 to serve as a sounding board for the Executive Chairman and also as an intermediary between the non-executive Directors and the Executive Chairman to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

The Board has separate and independent access to senior management and the Guarantor's Company Secretary. The role of the Guarantor's Company Secretary and management is to ensure that all Board procedures are followed and that applicable laws, regulations and rules are complied with. Directors may seek independent professional advice, at the Guarantor's expense, as and when required.

The principal roles and responsibilities of the Board include:

- providing entrepreneurial leadership, setting strategic objectives and ensuring that the necessary financial and human resources are in place for the Guarantor to meet its objectives;
- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Guarantor's assets;
- reviewing management performance and holding management accountable for performance;
- identifying the key stakeholder groups and recognising that their perceptions affect the Guarantor's reputation; and

- setting the Guarantor's values and standards (including ethical standards), ensuring that obligations to shareholders and other stakeholders are understood and met, and considering sustainability issues (including environmental and social factors) as part of the Guarantor's overall strategy.

Board of Directors

The Board comprises Directors with diverse backgrounds who, as a group, possess the core competencies, such as accounting or finance, business or management experience, legal, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board to be effective in all aspects of its roles to facilitate decision making that is in the best interest of the Guarantor.

The Board meets on a quarterly basis at least, or more frequently as required.

The following table sets forth information regarding the Directors.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Date of Appointment</u>
Dr. Stephen Riady	61	Executive Chairman and Group Chief Executive Officer	30 November 2006
Mr. Christopher James Williams	62	Deputy Chairman and Non-Executive Non-Independent Director	19 July 2006
Mr. Sin Boon Ann	63	Lead Independent Director	25 May 2009
Mr. Kelvin Lo Kee Wai	61	Independent Director	19 July 2006
Mr. Kin Chan	55	Non-Executive Non-Independent Director	17 March 2010
Mr. Brian Riady	31	Deputy Chief Executive Officer and Executive Director	1 January 2020

Certain information on the business and working experience of the Directors is set out below:

Dr. Stephen Riady

Executive Chairman and Group Chief Executive Officer

Dr. Stephen Riady was appointed Executive Chairman of the Guarantor on 9 March 2010, and as the Group Chief Executive Officer (in an expansion of his role as Executive Chairman) on 1 January 2020. He has been serving as Executive Director since 30 November 2006. He is a deemed substantial shareholder of the Guarantor. Details of his deemed shareholdings can be found on pages 114 and 115 of this Information Memorandum. He was last re-elected as a Director at the Annual General Meeting held on 30 April 2019.

Dr. Riady is also an executive director of Lippo Limited and has been its chairman since 1991. He was appointed a director of Lippo China Resources Limited in 1992 and Hongkong Chinese Limited in 1992 and in March 2011, he was appointed as a chairman of both companies. Dr. Riady is the executive president of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited, which are all listed on the Main Board of The Stock Exchange of Hong Kong Limited. Dr. Riady is also a member of the remuneration committee and nomination committee of Lippo Limited, Lippo China Resources Limited and Hongkong Chinese Limited. He was also appointed a non-executive non-independent director of Healthway Medical Corporation Limited in August 2017, which is listed on the Catalist Board of the SGX-ST.

His service to society includes such civic engagements as founding honorary advisor of the University of Hong Kong Foundation for Education Development and Research, member of the Boards of Trustees of Volunteer Service Trust and The Better Hong Kong Foundation, member of the Advisory Council of One Country, Two Systems Research Institute, fellow of the Duke of Edinburgh's Award World Fellowship and member of the Advisory Board of Sloan School of Management of the Massachusetts Institute of Technology, United States of America. Dr. Riady also holds the positions of trustee of the Global Board of Trustees of Asia Society; executive vice president of China Federation of Overseas Chinese Entrepreneurs; and permanent honorary chairman, Singapore Research Centre of Institute for Global Development of Tsinghua University.

In public service, Dr. Riady was a Hong Kong Affairs Advisor from April 1995 to June 1997, appointed by the Hong Kong and Macao Office of the State Council and Xinhua News Agency, Hong Kong Branch of the PRC. In addition, he is a member of the Committee to Promote Economic Co-operation between Fujian and Hong Kong, a committee established by the Provincial Government of Fujian, PRC.

Accolades he has received include the Chevalier de L'Ordre des Arts et des Lettres awarded by the French government, and the Strategic Investment Entrepreneur of the Year in Ernst & Young's annual Entrepreneur of the Year Awards Singapore 2007. He was awarded the 2018 EY Asean Entrepreneurial Excellence Award, an award which recognises successful Southeast Asian businesses that contribute to the economy and community in the region. He is an Honorary Citizen of Shenzhen, PRC.

Dr. Riady is a graduate of the University of Southern California, United States of America and holds a Master of Business Administration from Golden Gate University, United States of America. He was conferred an Honorary Degree of Doctor of Business Administration from Edinburgh Napier University, United Kingdom, and is one of the first Honorary University Fellows installed by the Hong Kong Baptist University.

Mr. Christopher James Williams

Deputy Chairman and Non-Executive Non-Independent Director

Mr. Christopher James Williams was appointed as a Non-Executive Non-Independent Director on 19 July 2006 and became Deputy Chairman of the Board with effect from 9 March 2010. He currently serves as a member of the Nominating Committee and the Remuneration Committee. He was last re-elected as a Director at the Annual General Meeting held on 22 May 2020.

Mr. Williams is a founding partner of Howse Williams, Hong Kong, which he co-founded in 2012 as an independent Hong Kong law firm. Mr. Williams was responsible in particular for establishing the non-contentious area of the practice. Howse Williams has subsequently grown to become one of the leading independent law firms in Hong Kong.

Prior to co-founding Howse Williams, Mr. Williams was from 1994 a partner in Richards Butler, an international law firm which merged with the US law firm Reed Smith in 2008 and was throughout this period based in Hong Kong.

Mr. Williams has been the chairman and non-independent non-executive director of First REIT Management Limited, the manager of First REIT, since 26 October 2018 and a director of OUB Centre Limited since 28 January 2014.

Mr. Williams specialises in corporate finance, mergers and acquisitions, direct investment and corporate restructurings and reorganisations. He also advises on corporate governance and compliance. His practise encompasses Hong Kong and the Asia Pacific region, particularly Indonesia and Singapore. He has been named in the *Guide to the World's Leading Merger and Acquisitions Lawyers*, published by Euromoney Publications PLC, and the *International Who's Who of Merger and Acquisition Lawyers*, published by Law Business Research, as one of the world's top mergers and acquisitions lawyers.

Mr. Williams qualified as a solicitor in England and Wales in 1986 and was admitted as a solicitor in Hong Kong in 1991. He holds a Bachelor of Arts (Honours) in International Relations and Economics from the University of Reading, United Kingdom.

Mr. Kelvin Lo Kee Wai

Independent Director

Mr. Kelvin Lo Kee Wai was appointed as an Independent Director on 19 July 2006. He also serves as the Chairman of the Audit Committee, and is a member of the Nominating Committee and the Remuneration Committee. He was last re-elected as a Director at the Annual General Meeting held on 22 May 2020.

Mr. Lo has been engaged in the fund management business and practicing law in New South Wales, Australia at Alliance Law Group Pty Ltd since 2007. He previously served as chief investment officer of Value Creation Inc from 2002 to 2007, chief executive officer of Mreferral Corporation Ltd from 2000 to 2001, chief financial officer of Midland Realty Ltd from 1999 to 2001, and financial controller of Lippo Ltd from 1992 to 1999.

Mr. Lo is a fellow of the Association of Chartered Certified Accountants of England, an associate of the Hong Kong Institute of Certified Public Accountants, an associate of the Chartered Professional Accountants Canada, a chartered financial analyst of the CFA Institute of United States, and an associate of the Chartered Secretaries Australia. He is an associate member of the Law Society of

New South Wales, Australia. Mr. Lo obtained a Master of Laws from University of Sydney, Australia. Mr. Lo was appointed a Notary Public of New South Wales of Australia in 2012.

Mr. Sin Boon Ann

Lead Independent Director

Mr. Sin Boon Ann was appointed as an Independent Director on 25 May 2009, and as Lead Independent Director on 17 February 2017. He also serves as Chairman of the Nominating Committee and the Remuneration Committee and is a member of the Audit Committee. He was last re-appointed as a Director at the Annual General Meeting held on 30 April 2021.

Mr. Sin is a consultant at Drew & Napier LLC. He was the Deputy Managing Director of Drew & Napier's Corporate and Finance Department and the co-head of the Capital Markets Practice before he retired to be a consultant in March 2018. Mr. Sin is principally engaged in corporate finance and mergers and acquisitions. He was a member of Parliament for Tampines GRC from 1996 to 2011. Mr. Sin was a member of the Government Parliamentary Committee for Health and Defence and Foreign Affairs from 2009 to 2011. Mr. Sin taught at the Faculty of Law of the National University of Singapore from 1987 to 1992.

Mr. Sin is also the lead independent director of several companies listed on the SGX-ST, namely Rex International Holding Limited since 26 June 2013, HRnetGroup Limited since 16 May 2017 and TIH Limited since 1 January 2021. He has also been appointed as independent non-executive chairman of Healthway Medical Corporation Limited (listed on the SGX-ST) since 26 April 2019, an independent director of CSE Global Limited (listed on the SGX-ST) since 13 May 2002, and an independent and non-executive director of The Trendlines Group Ltd. (listed on the SGX-ST) since 17 June 2020 and Sarine Technologies Ltd. (listed on the SGX-ST) since 25 June 2020. He was also appointed as a board member of Singapore Centre for Social Enterprise Ltd. in April 2015.

Mr. Sin holds a Bachelor of Arts degree and a Bachelor of Laws (Honours) degree from the National University of Singapore, and a Master of Laws from the University of London.

Mr. Kin Chan

Non-Executive Non-Independent Director

Mr. Kin Chan was appointed as a Non-Executive Non-Independent Director on 17 March 2010. He has been serving as a member of the Audit Committee with effect from 19 October 2011. Mr. Chan has been the chief investment officer of Argyle Street Management Limited since 2002 and is a deemed substantial shareholder of the Guarantor. Details of his deemed shareholdings can be found on pages 114 and 115 of this Information Memorandum. He was last re-elected as a Director at the Annual General Meeting held on 30 April 2021.

Mr. Chan has been the chairman of TIH Limited, a company listed on the Main Board of the SGX-ST, since 1 May 2005 and a non-executive director of CITIC Resources Holdings Limited, a company listed on The Main Board of The Stock Exchange of Hong Kong Limited, since 10 March 2017. He was appointed as a commissioner of PT Lippo Karawaci Tbk, a company listed on the Indonesia Stock Exchange, on 18 April 2019.

Mr. Chan earned an AB degree from Princeton University and a Master's degree in Business Administration from the Wharton School of University of Pennsylvania where he was a Palmer Scholar.

Mr. Brian Riady

Deputy Chief Executive Officer and Executive Director

Mr. Brian Riady was appointed as the Deputy Chief Executive Officer and Executive Director of the Guarantor on 1 January 2020. He assists the Executive Chairman and Group Chief Executive Officer in overseeing all business operations of the Group, setting the Group's strategic direction, and executing the Group's business strategies. He was last re-elected as a Director at the Annual General Meeting held on 22 May 2020.

Mr. Riady is presently a non-independent non-executive director of OUE Commercial REIT Management Pte. Ltd., the manager of OUE C-REIT.

Mr. Riady was previously the Chief Executive Officer of the Hospitality Division of the Guarantor from October 2018 to December 2019. Prior to joining the OUE Group, Mr. Riady was Vice President of

Strategy of Lippo Group Indonesia from 2013 to 2018. He also served as Group Chief Executive Officer of Lippo Group Indonesia's lifestyle and entertainment division, conceptualising and growing multiple concepts, developing over 150 F&B and entertainment outlets and expanding into over 30 cities across Indonesia. Prior to joining Lippo Group Indonesia, Mr. Riady was an analyst at Credit Suisse's real estate, gaming and lodging investment banking group.

Mr. Riady holds a Bachelor of Science (Political Communication) and a Bachelor of Arts (Economics) from the University of Texas at Austin, and has also completed Executive Education programmes at Harvard Business School.

Committees

The Directors are committed to maintaining good standards of corporate governance.

The Guarantor has three Board committees: the Audit Committee, the Remuneration Committee and the Nominating Committee.

Audit Committee ("AC")

The AC comprises three non-executive Directors, namely Mr. Kelvin Lo Kee Wai and Mr. Sin Boon Ann (both independent) and Mr. Kin Chan. Mr. Kelvin Lo Kee Wai is the chairman of the AC. All the members of the AC have many years of experience in senior management positions and have between them recent and relevant expertise in accounting, financial management, corporate finance and law. The Board is of the view that the AC members are appropriately qualified to discharge their responsibilities, including the principal responsibilities of the AC as listed below.

The principal responsibilities of the AC include:

- reviewing the adequacy, scope and results of the external audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Guarantor and any formal announcements relating to the Guarantor's financial performance;
- reviewing at least annually the adequacy and effectiveness of the Guarantor's internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- reviewing the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements;
- reviewing the adequacy, effectiveness, independence, scope and results of the Guarantor's internal audit and control functions, and the hiring, removal, evaluation and compensation of the Guarantor's internal audit and control functions;
- reviewing interested person transactions;
- making recommendations to the Board on (i) proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and (ii) the remuneration and terms of engagement of the external auditors; and
- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The results of the AC's review are reported to the Board.

The Guarantor has in place a whistle-blowing policy and procedure whereby staff of the Guarantor may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters as well as any breach of the Guarantor's Code of Business Conduct and Ethics, without fear of reprisals in any form. The AC has the responsibility of overseeing this policy which is administered with the assistance of the Head of Internal Audit. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow-up action to be taken. The whistle-blowing policy and procedure is made available to the Guarantor's employees to encourage the reporting of any behaviour or action that might constitute impropriety in financial reporting or other matters. The AC is empowered to conduct or authorise investigations into any activity within its terms of reference, and obtain independent professional advice as it deems

necessary. The AC has full access to and co-operation from the management and full discretion to invite any Director or executive officer to attend its meetings, and has adequate resources to enable it to discharge its functions properly.

Remuneration Committee (“RC”)

The RC comprises three non-executive Directors, namely Mr. Sin Boon Ann and Mr. Kelvin Lo Kee Wai (both independent) and Mr. Christopher James Williams. Mr. Sin Boon Ann is the chairman of the RC.

The principal responsibilities of the RC include, *inter alia*:

- recommending to the Board a general framework of remuneration for Directors and key management personnel; and
- developing policies for fixing of, and recommending to the Board, the remuneration packages of individual Directors and key management personnel.

The RC sets the remuneration policy to ensure that the remuneration offered by the Guarantor is competitive and will attract, retain and motivate Directors and key management personnel of the required experience and expertise to run the Guarantor successfully for the long-term. In developing and reviewing the policy for the remuneration packages for Directors and key management personnel, the Guarantor’s existing internal remuneration policy and other conditions within the industry and in comparable companies are taken into consideration. The remuneration policies of the Guarantor are structured to attract and retain highly qualified persons, and the Guarantor’s overall goal in relation to such policies is to ensure the long-term sustainability and success of the Guarantor, as well as value creation. In relation to the remuneration policy, the Board determines value creation to be the amount of value-add contributed by the individual, including but not limited to deal introduction to the Guarantor, cost-savings ideas and novel initiatives which have the potential of increasing the performance of the Guarantor and it is measured based on the monetary benefit / cost-savings which the Guarantor receives as a result of the value-add contributed by the individual Director and a key management personnel.

Fees payable to the Directors are proposed as a lump sum. The lump sum is subject to the approval of shareholders of the Guarantor at its Annual General Meeting. The remuneration of the non-executive Directors in the form of directors’ fees is paid wholly in cash and the remuneration of the key management personnel in the form of salaries, annual bonuses and allowances is also paid wholly in cash. There is no non-monetary compensation in the form of stock options or shares in the Guarantor paid to the Directors or the key management personnel. The Guarantor links executive remuneration to corporate and individual performance, based on the performance appraisal of the key management personnel (including executive Directors). Such performance-related executive remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Guarantor. The Guarantor currently does not have in place long-term or short-term incentive schemes for executive Directors and key management personnel. The remuneration of non-executive Directors takes into account their level of contribution and respective responsibilities at Board meetings and Board committee meetings, and the industry practices and norms on remuneration including guidelines set out in the Statement of Good Practice issued by the Singapore Institute of Directors.

Nominating Committee (“NC”)

The NC comprises three non-executive Directors, namely Mr. Sin Boon Ann and Mr. Kelvin Lo Kee Wai (both independent) and Mr. Christopher James Williams. Mr. Sin Boon Ann is the chairman of the NC.

The principal responsibilities of the NC include:

- reviewing of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the Chief Executive Officer and key management personnel;
- reviewing the composition of the Board to identify gaps (if any) in the mix of skills, experience and other qualities so as to better identify suitable candidates;
- reviewing and evaluating nominations of Directors (including alternate Directors, if any) for appointment to the Board and reviewing the retirement and re-election of Directors;
- making recommendations on the process and criteria for evaluation of the performance of, and evaluating the performance of, the Directors and the Board as a whole and the Board committees;

- reviewing and being mindful of the independence of the Directors at least annually, and as and when circumstances require; and
- making recommendations on and reviewing the training and professional development programmes for the Board, including ensuring that new Directors are aware of their duties and obligations.

Pursuant to the Guarantor's Constitution, one-third of the Directors will retire from office at the Guarantor's Annual General Meeting.

The NC determines on an annual basis, and as and when circumstances require, whether or not a Director is independent, taking into account the Code of Corporate Governance 2018's guidance on what constitutes an "independent" director, and the existence of relationships which would deem a Director to not be independent. A Director who is independent in conduct, character and judgment, and who has no relationship with the Guarantor, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgment in the best interests of the Guarantor, is considered to be independent under the Code of Corporate Governance 2018.

In its search and selection process, the NC reviews the composition of the Board, including the mix of expertise, skills and attributes of existing Directors, so as to identify the required and/or desired competencies to supplement the Board's existing attributes. In doing so, where necessary or appropriate, the NC may tap on its networking contacts and/or engage external professional headhunters to assist with identifying and shortlisting candidates. In particular, looking ahead, the NC has been tasked to initiate a search process for more independent Directors. The NC also understands the need to periodically renew the Board. Additionally, in the recruitment of Directors, the NC is mindful of the importance of ensuring that the Board is well balanced and diverse. As part of its board diversity policy, the Board continues to be open and vigilant in identifying the appropriate female candidate(s) who may possess the competency level and skill sets necessary to bring greater value to the Company and its various stakeholder constituencies. Whenever it seeks to identify a new Director for appointment to the Board, the Board ensures that female candidates are included for consideration by the NC. From there, the final selection will be made in a fair and undiscriminating manner.

The selection and nomination process involves the following:

- (a) in carrying out its review, the NC will take into account that the Board composition should reflect balance in matters such as skill representation, tenure, experience, age spread and diversity;
- (b) the NC will identify suitable candidates for appointment to the Board having regard to the skills required and the skills represented on the Board;
- (c) external consultants may be used from time to time to access a wide base of potential non-executive Directors. Those considered will be assessed against a range of criteria, including the nominee's track record, background, experience, professional skills, financial literacy, core competencies and personal qualities. The NC and the Board will also consider whether a candidate's skills and experience will complement the existing Board and whether the candidate has sufficient time available to commit to his responsibilities as a Director; and
- (d) the NC will make recommendations to the Board on candidates it considers appropriate for appointment.

The NC annually assesses the effectiveness of the Board as a whole and the Board committees and the contribution by the Chairman and each Director to the effectiveness of the Board. In evaluating each Director's performance, the NC considers, *inter alia*, the Directors' attendance, contribution, participation and candour at Board and Board committee meetings, Directors' individual evaluations, the degree of commitment to the role, effectiveness and value of contribution to the development of strategy, the Director's industry and business knowledge, and functional expertise.

Directors must ensure that they are able to give sufficient time and attention to the affairs of the Guarantor, and as part of its review process, the NC decides whether or not a Director is able to do so and whether he has been adequately carrying out his duties as a Director.

The Directors have opportunities for continuing education in a number of areas, including directors' duties (including their roles as executive, non-executive and independent directors), corporate governance, financial reporting, insider trading, the Companies Act and listing rules, relevant industry-related matters and other areas to enhance their performance as Board and Board committee members. They are also given unrestricted access to professionals for consultations as and when they deem it necessary at the expense of the Guarantor.

Executive Officers

The Guarantor's executive officers are responsible for the Guarantor's day-to-day management and operations. The following table sets forth information regarding the Guarantor's executive officers:

Name	Age	Position
Dr. Stephen Riady	61	Executive Chairman and Group Chief Executive Officer
Mr. Brian Riady	31	Deputy Chief Executive Officer and Non-Independent Executive Director

For information about Dr. Stephen Riady, see “– Board of Directors”.

For information about Mr. Brian Riady, see “– Board of Directors”.

Family relationship

Mr. Brian Riady, the Deputy Chief Executive Officer and Executive Director of the Guarantor, is the son of Dr. Stephen Riady, the Executive Chairman and Group Chief Executive Officer of the Guarantor and a substantial shareholder of the Guarantor. He is also the nephew of Mr. James Tjahaja Riady, a substantial shareholder of the Guarantor. Dr. Stephen Riady is the brother of Mr. James Tjahaja Riady.

Save for the above, none of the Guarantor's executive officers have a family relationship with one another, any of the Directors or any of the Guarantor's substantial shareholders.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND DIRECTORS

Interests in Shares

The table below sets out the names of each of the Guarantor's substantial shareholders, being a shareholder who is known by the Guarantor to beneficially own 5% or more of the Guarantor's issued Shares, and the number and percentage of Shares in which each of them has an interest (whether direct or deemed) as at the Latest Practicable Date, as shown in the Guarantor's register of substantial shareholders. Deemed interest is determined in accordance with Section 7(4) of the Companies Act.

Substantial Shareholder	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
OUE Realty Pte. Ltd. (“ OUER ”)	502,513,060	57.18 ⁽²⁰⁾	—	—
Golden Concord Asia Limited (“ GCAL ”)	116,403,350	13.25 ⁽²⁰⁾	502,513,060 ⁽¹⁾	57.18 ⁽²⁰⁾
Fortune Crane Limited (“ FCL ”)	—	—	618,916,410 ⁽²⁾	70.43 ⁽²⁰⁾
Lippo ASM Asia Property Limited (“ LAAPL ”)	—	—	618,916,410 ⁽³⁾	70.43 ⁽²⁰⁾
HKC Property Investment Holdings Limited (“ HKC Property ”)	—	—	618,916,410 ⁽⁴⁾	70.43 ⁽²⁰⁾
Hongkong Chinese Limited (“ HCL ”)	—	—	618,916,410 ⁽⁵⁾	70.43 ⁽²⁰⁾
Hennessy Holdings Limited (“ HHL ”)	—	—	618,916,410 ⁽⁶⁾	70.43 ⁽²⁰⁾
Prime Success Limited (“ PSL ”)	—	—	618,916,410 ⁽⁷⁾	70.43 ⁽²⁰⁾
Lippo Limited (“ LL ”)	—	—	618,916,410 ⁽⁸⁾	70.43 ⁽²⁰⁾
Lippo Capital Limited (“ LCL ”)	—	—	618,916,410 ⁽⁹⁾	70.43 ⁽²⁰⁾
Lippo Capital Holdings Company Limited (“ LCH ”)	—	—	618,916,410 ⁽¹⁰⁾	70.43 ⁽²⁰⁾
Lippo Capital Group Limited (“ LCG ”)	—	—	618,916,410 ⁽¹¹⁾	70.43 ⁽²⁰⁾
Dr. Stephen Riady	—	—	618,916,410 ⁽¹²⁾	70.43 ⁽²⁰⁾
PT Trijaya Utama Mandiri (“ PT Trijaya ”)	—	—	618,916,410 ⁽¹³⁾	70.43 ⁽²⁰⁾
Mr. James Tjahaja Riady	—	—	618,916,410 ⁽¹⁴⁾	70.43 ⁽²⁰⁾
Admiralty Station Management Limited (“ Admiralty ”)	—	—	618,916,410 ⁽¹⁵⁾	70.43 ⁽²⁰⁾
Argyle Street Management Limited (“ ASML ”)	—	—	618,916,410 ⁽¹⁶⁾	70.43 ⁽²⁰⁾
Argyle Street Management Holdings Limited (“ ASMHL ”)	—	—	618,916,410 ⁽¹⁷⁾	70.43 ⁽²⁰⁾
Mr. Kin Chan (“ KC ”)	—	—	618,916,410 ⁽¹⁸⁾	70.43 ⁽²⁰⁾
Mr. V-Nee Yeh (“ VY ”)	—	—	618,916,410 ⁽¹⁹⁾	70.43 ⁽²⁰⁾

Notes:

- (1) GCAL is deemed to have an interest in the Shares held by OUER. OUER is a wholly-owned subsidiary of GCAL.
- (2) FCL has a deemed interest in the Shares through the direct and deemed interests of its wholly-owned subsidiary, GCAL.

- (3) LAAPL is deemed to have an interest in the Shares in which its subsidiary, FCL, has a deemed interest.
- (4) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, HKC Property is deemed to have an interest in the Shares in which LAAPL has a deemed interest.
- (5) HCL is the immediate holding company of HKC Property. Accordingly, HCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (6) HHL is an intermediate holding company of HKC Property. Accordingly, HHL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (7) PSL is an intermediate holding company of HKC Property. Accordingly, PSL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (8) LL is an intermediate holding company of HKC Property. Accordingly, LL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (9) LCL is an intermediate holding company of HKC Property. Accordingly, LCL is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (10) LCH is an intermediate holding company of HKC Property. Accordingly, LCH is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (11) LCG is the holding company of LCH, which in turn is an intermediate holding company of HKC Property. Accordingly, LCG is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (12) Dr. Stephen Riady holds the entire issued share capital of LCG, which is the holding company of LCH. LCH in turn is an intermediate holding company of HKC Property. Accordingly, Dr. Stephen Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest. Dr. Stephen Riady is the Executive Chairman and Group Chief Executive Officer of the Guarantor. Dr. Stephen Riady is also the chairman of LL and HCL, both of which have a deemed interest in the Shares.
- (13) PT Trijaya holds more than 20% of the shares in LCL, which in turn is an intermediate holding company of HKC Property. Accordingly, PT Trijaya is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (14) Mr. James Tjahaja Riady effectively holds all the shares in PT Trijaya, which holds more than 20% of the shares in LCL. LCL in turn is an intermediate holding company of HKC Property. Accordingly, Mr. James Tjahaja Riady is deemed to have an interest in the Shares in which HKC Property has a deemed interest.
- (15) LAAPL is jointly held by HKC Property and Admiralty. Accordingly, Admiralty is deemed to have an interest in the Shares in which LAAPL has a deemed interest.
- (16) ASML owns 100% of the voting shares in the capital of Admiralty. Accordingly, ASML is deemed to have an interest in the Shares in which Admiralty has a deemed interest.
- (17) ASMHL is the immediate holding company of ASML. Accordingly, ASMHL is deemed to have an interest in the Shares in which ASML has a deemed interest.
- (18) KC is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, KC is deemed to have an interest in the Shares in which ASMHL has a deemed interest.
- (19) VY is the beneficial holder of more than 20% of the issued share capital of ASMHL. Accordingly, VY is deemed to have an interest in the Shares in which ASMHL has a deemed interest.
- (20) The shareholding percentage is calculated based on 878,799,660 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

Based on the information available to the Guarantor as at the Latest Practicable Date, each of Dr. Stephen Riady, the Executive Chairman and Group Chief Executive Officer of the Guarantor, and Mr. Kin Chan, a Director of the Guarantor, has a respective deemed interest of 70.43% in the Shares as at the Latest Practicable Date.

SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE GUARANTOR

SELECTED CONSOLIDATED FINANCIAL INFORMATION FOR FY 2020 AND FY 2019

The following tables present the Group's consolidated statement of financial position as at and for the financial years ended 31 December 2020 ("FY 2020") and 31 December 2019 ("FY 2019"). The selected consolidated statement financial data for FY 2020 and FY 2019 in the tables below are derived from the historical financial statements of the Group, which have been audited by the independent auditors, KPMG LLP. The audited financial statements of the Group for FY 2020 and FY 2019 have been drawn up in accordance with the Singapore Financial Reporting Standards (International).

**Selected Audited Consolidated Statement of Comprehensive Income Information for
FY 2020 and FY 2019**

	The Group (Audited)	
	FY 2020 S\$'000	FY 2019 S\$'000
Revenue		
Investment properties income	264,777	287,607
Hospitality income	85,497	241,205
Development properties income	140,176	349,611
Healthcare income	29,437	30,993
Consumer	10,329	20,983
Others	239	438
Total Revenue	530,455	930,837
Cost of sales	(296,090)	(596,721)
Gross profit	234,365	334,116
Marketing expenses	(10,312)	(20,675)
Administrative expenses	(77,790)	(140,005)
Other operating expenses	(18,893)	(13,819)
Share of results of equity-accounted investees, net of tax	119,284	170,678
	246,654	330,295
Finance expenses	(134,400)	(170,051)
Finance income	7,569	12,177
Other (losses)/gains - net	(565,096)	197,279
(Loss)/Profit before tax	(445,273)	369,700
Tax credit/(expense)	40,489	(47,900)
(Loss)/Profit after tax	(404,784)	321,800
(Loss)/Profit attributable to:		
Owners of the Company	(343,383)	255,217
Non-controlling interests	(61,401)	66,583
	(404,784)	321,800

**Selected Audited Consolidated Statement of Financial Position Information for
FY 2020 and FY 2019**

	The Group (Audited)	
	FY 2020 S\$'000	FY 2019 S\$'000
Cash and cash equivalents	559,527	477,712
Trade and other receivables	149,308	292,381
Other investments	60,972	76,755
Development properties	29,024	152,380
Assets held for sale	1,258,512	100,001
Total current assets	2,139,942	1,165,337
Other investments	148,746	134,465
Interests in equity-accounted investees	1,064,334	921,614
Investment properties	4,534,728	6,628,427
Property, plant and equipment	1,700,486	1,827,716
Total assets	9,623,366	10,734,500
Current borrowings	420,416	1,309,892
Liabilities directly associated with the assets held for sale	14,674	—
Total current liabilities	665,975	1,616,372
Non-current borrowings	3,055,709	2,679,731
Total non-current liabilities	3,300,577	3,000,983
Total liabilities	3,966,552	4,617,355
Net assets	5,656,814	6,117,145
Non-controlling interests	1,916,810	2,043,849
Equity attributable to owners	3,740,004	4,073,296

Financial Review

FY 2020 vs FY 2019

Revenue

The Group recorded revenue of S\$530.5 million in FY 2020 (FY 2019: S\$930.8 million). The decrease was due to lower contributions across all business divisions.

Investment Properties Division

Revenue from the investment properties division decreased by S\$22.8 million to S\$264.8 million in FY 2020 (FY 2019: S\$287.6 million). The decrease was mainly due to absence of revenue contribution from U.S. Bank Tower subsequent to its sale in September 2020. The decrease is partially mitigated by the inclusion of full year revenue contribution from Mandarin Gallery subsequent to the Merger.

Hospitality Division

Revenue from the hospitality division decreased by S\$155.7 million to S\$85.5 million in FY 2020 (FY 2019: S\$241.2 million). The decrease was mainly due to the overall decline in room occupancy and banquet sales as a result of travel restrictions and various measures put in place by the Singapore government in response to the COVID-19 pandemic. The decrease was also due to the absence of contribution from the serviced apartments at OUE Downtown, which was disposed in November 2019.

Development Properties Division

Revenue from the development properties division was S\$140.2 million (FY 2019: S\$349.6 million). Revenue recognised pertained to scheduled completion of certain OUE Twin Peaks units sold under deferred payment schemes.

Healthcare Division

Revenue from the healthcare division pertains to revenue contribution from OUE LH and First REIT Management Limited, the manager of First REIT. The decrease in revenue was due to lower management fees earned by First REIT Management Limited as a result of lower net property income and total assets recorded by First REIT.

Consumer Division

Revenue from the consumer division comprises mainly the contribution from OUE Skyspace L.A., the observation deck at U.S. Bank Tower, as well as F&B operations of the Group. Revenue decreased by S\$10.7 million to S\$10.3 million (FY 2019: S\$21.0 million) mainly due to lower revenue from OUE Skyspace L.A., which ceased operations in March 2020. This was partially mitigated by higher contribution from F&B operations.

Share of results of equity-accounted investees, net of tax

Share of results of equity-accounted investees decreased by S\$51.4 million to S\$119.3 million in FY 2020 (FY 2019: S\$170.7 million). The decrease was mainly due to lower contribution from First REIT as a result of higher net fair value losses on its investment properties and the absence of contribution from OUE H-Trust subsequent to the Merger in September 2019. The decrease was partially mitigated by higher contribution from Gemdale.

Marketing expenses

Marketing expenses decreased by S\$10.4 million to S\$10.3 million in FY 2020 (FY 2019: S\$20.7 million) mainly due to lower advertising and promotional expenses incurred for the hotels amid the COVID-19 pandemic. Lower marketing costs were also incurred by OUE Skyspace L.A. due to its closure.

Administrative expenses

Administrative expenses decreased by S\$62.2 million to S\$77.8 million in FY 2020 (FY 2019: S\$140.0 million). The decrease was mainly due to the absence of the Merger-related expenses and lower impairment loss made on trade and other receivables in FY 2020. The decrease was also attributed to lower payroll and related expenses which was partially supported by government grants from the Singapore government received under the Jobs Support Scheme.

Finance expenses

Finance expenses decreased S\$35.7 million mainly due to lower finance expenses recognised on lease liabilities of S\$22.7 million.

The Group adopted SFRS(I) 16 Leases with effect from 1 January 2019, which introduces a single, on-balance sheet lease accounting model for lessees. The Group had previously entered into master lease agreements with OUE Hospitality Sub-Trust (previously known as OUE H-REIT), to lease and operate Mandarin Orchard Singapore and CPCA.

In 2019, the finance expenses on lease liabilities mainly relate to the period when OUE H-Trust was still an associate of the Group. Subsequent to the Merger, OUE H-Trust became a subsidiary of the Group and the master lease agreements with OUE Hospitality Sub-Trust ceased to exist for accounting purposes in the consolidated financial statements as these master lease agreements represent intra-group relationships.

Other (losses)/gains – net

In 2020, the following were recognised:

- S\$16.2 million reversal of impairment loss on a loan to an equity-accounted investee upon partial repayment.

- S\$435.4 million net fair value loss on investment properties, including approximately S\$298.9 million fair value loss in relation to the disposal of U.S. Bank Tower which was completed in September 2020. The fair value loss of U.S. Bank Tower was derived based on the difference between the sales price and the last reported fair value of US\$650 million as at 31 December 2019.
- S\$5.6 million impairment loss on interests in equity-accounted investees which mainly pertained to the impairment loss on a Myanmar joint venture under the healthcare division. The impairment loss represented the excess of the carrying value over the estimated recoverable amount, which was determined based on the discounted cash flow projections of the joint venture.
- S\$11.0 million impairment loss on intangible assets and goodwill which mainly pertains to the impairment loss on management rights relating to First REIT Management Limited. The impairment loss represented the excess of the carrying value over the estimated recoverable amount, which was determined based on the discounted cash flow projections from the provision of management services.
- S\$88.7 million impairment loss on property, plant and equipment which pertains mainly due to the impairment losses recognised on the two hotels (Mandarin Orchard Singapore and CPCA) and a land located in Dujiangyan, Chengdu under the healthcare division. The impairment losses represented the excess of the carrying values over the recoverable amounts, which were determined based on independent valuations obtained as at 31 December 2020.

In 2019, the following were recognised:

- S\$15.8 million net fair value loss on investment properties.
- S\$9.0 million impairment loss on interests in equity-accounted investees pertained to impairment loss on the 4% equity stake in Gemdale that was disposed subsequent to 31 December 2019. This impairment is non-cash and arose as a result of the difference between the sale consideration and the carrying amount as at 31 December 2019.
- S\$0.9 million negative goodwill arose from the acquisition of First REIT Management Limited, which represents the excess of the fair value of identifiable net assets acquired over the consideration paid. The Group completed the purchase price allocation exercise in respect of First REIT Management Limited in FY 2019 and recognised a further negative goodwill in FY 2019.
- S\$136.6 million gain on disposal of interests in equity-accounted investees mainly pertained to the disposal of the Group's entire equity stake in Aquamarina Hotel Private Limited in April 2019.
- S\$90.9 million non-cash gain on derecognition of right-of-use assets, lease liabilities and other liabilities was recognised subsequent to OUE H-Trust becoming a subsidiary of the Group as a result of the Merger.

EBIT

EBIT decreased by S\$83.6 million to S\$246.7 million in FY 2020 (FY 2019: S\$330.3 million). The decrease was mainly attributed to lower contribution from equity-accounted investees and lower contributions across business divisions.

Loss attributable to owners of the Company

In FY 2020, the Group recorded a loss attributable to shareholders of S\$343.4 million. The loss was mainly due to the net fair value losses recognised on investment properties, impairment losses recognised and weaker operating performance of the business in light of the COVID-19 pandemic. This was partially mitigated by lower finance expenses on lower borrowings.

Statements of Financial Position

"Development properties" decreased by S\$123.4 million mainly due to completion of the sale of OUE Twin Peaks units sold under deferred payment schemes.

As at 31 December 2020, "Assets held for sale" represented the carrying value of OUE Bayfront which was reclassified from "Investment properties" subsequent to the announcement of the proposed divestment of the property by OUE C-REIT in January 2021. The rental deposits for OUE Bayfront were correspondingly reclassified to "Liabilities directly associated with the assets held for sale".

As at 31 December 2019, “Assets held for sale” represented approximately 4.0% equity stake of Gemdale. The sale was completed on 14 January 2020. Gemdale remains as an equity-accounted investee of the Group.

“Interests in equity-accounted investees” increased by S\$142.7 million mainly due to recognition of the share of results from equity-accounted investees.

“Investment properties” decreased by S\$2.1 billion mainly due to the reclassification of OUE Bayfront to “Assets held for sale” and the disposal of U.S. Bank Tower in September 2020. The decrease was also due to overall net fair value losses recognised on the remaining investment properties.

“Property, plant and equipment” decreased by S\$127.2 million mainly due to depreciation and impairment losses recognised on the hotel properties (Mandarin Orchard Singapore and Crowne Plaza Changi Airport) and a land located in Dujiangyan, Chengdu under the healthcare division.

“Borrowings” decreased by S\$513.5 million mainly due to redemption of the S\$300 million unsecured notes in April 2020, partial redemption of the convertible bonds and repayment of borrowings in the current year.

As at 31 December 2020, the Group’s gross debt was \$3.5 billion with a net gearing ratio of 52%. Excluding the Guarantor’s listed subsidiaries (namely, OUE C-REIT and OUE LH), the gross debt of the Group was approximately S\$0.6 billion, with net gearing ratio just below 10%. Out of the approximately S\$0.6 billion in gross debt of the Group, S\$0.2 billion is due in 2022 and S\$0.4 billion is due in 2023.

On 13 April 2021, S\$140,000,000 in aggregate principal amount of the 1.50 per cent. convertible bonds due 2023 issued by the Guarantor on 13 April 2018 was redeemed and cancelled. The aggregate principal amount of the outstanding convertible bonds was reduced to S\$2,250,000.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in 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 risks that may be involved in the business, assets, financial condition, performance or prospects of the Issuer, the Guarantor and their respective subsidiaries (if any) or the properties owned by the Group or any decision to subscribe for, purchase, sell, hold, own or dispose of the Securities. Additional risks which the Issuer and the Guarantor are currently unaware of or currently deem immaterial may also impair their respective business, assets, results of operations, financial condition, net sales, revenues, profitability, liquidity, capital resources, performance and/or prospects. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer, the Guarantor and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer and the Guarantor to comply with their 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. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum (including any Incorporated Document) and reach their own views prior to making any investment decision. Sub-headings are for convenience only and investment considerations that appear under a particular sub-heading may also apply to one or more other sub-headings. The Conditions and the Trust Deed will prevail to the extent of any inconsistency with the information set out in the sub-sections "Risks Relating to the Securities", "Risks Relating to the Notes" and "Risks Relating to the Perpetual Securities".

Limitations of this Information Memorandum

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

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, either of the Arrangers, any of the Dealers or the Trustee 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, the Guarantor, their respective subsidiaries (if any) and/or associated companies (if any), the Arrangers, any of the Dealers, the Trustee or any person affiliated with each of them in connection with its investigation of the accuracy, reliability or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor and the Group, the Conditions and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

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

RISKS RELATING TO THE GROUP'S BUSINESS GENERALLY

The Group's operations are organised into the following business segments: (i) commercial, which includes the development, management and ownership of office and mixed-use properties, (ii) hospitality, which includes the development, management and ownership of hospitality properties, (iii) retail, which includes the development, management and ownership of retail spaces, (iv) residential, which includes the development and sale of residential properties, (v) healthcare, comprising healthcare services and property investment, and (vi) consumer, comprising the operation of F&B outlets with various dining and lifestyle concepts. As described in the section "*The Guarantor and the Group*", the Group diversified into healthcare real estate and assets through the acquisition of OUE LH. Following the establishment of OUE H-Trust and OUE C-REIT (which have since merged), the Group further diversified its business into fund management of REITs. In 2019, the Group expanded into the consumer business through its subsidiary, OUE Restaurants, and in 2021, has announced plans to further expand its consumer business into the retailing of consumer goods through the acquisition of a controlling stake in Matahari (please see the section "*The Guarantor and the Group – Business Operations – Consumer*" for further details). Each of these segments is subject to risks which could materially and adversely affect the Group's business, financial condition, results of operations and/or prospects.

The Group's businesses, financial condition and results of operations may be materially and adversely affected by natural calamities and/or the outbreak of communicable diseases

Natural calamities and/or the outbreak of communicable diseases could result in volatility in international capital markets or adversely affect Singapore and other economies. Any material change in the financial markets or the Singapore economy or regional economies as a result of these events or developments may materially and adversely affect the Group's businesses, financial condition and results of operations.

In particular, the COVID-19 pandemic triggered a global downturn and economic contraction and caused disruptions in demand and supply chains. The number of reported cases of COVID-19 worldwide, as well as the number of reported deaths as a consequence of COVID-19 worldwide, significantly exceed those observed during the Severe Acute Respiratory Syndrome epidemic that occurred in 2002/2003 and the COVID-19 outbreak resulted in a widespread health crisis globally.

The COVID-19 pandemic is ongoing and the actual extent of the pandemic and its impact on the domestic, regional and global economy remains uncertain. The COVID-19 pandemic could continue to result in protracted volatility in international markets and/or could result in a global recession as a consequence of disruptions to travel and retail segments, tourism and manufacturing supply chains, imposition of quarantines and prolonged occupancy limits or closures of workplaces, any of which may have a material adverse effect on the Group's financial condition and results of operations. In particular, at its onset, the COVID-19 pandemic caused stock markets worldwide to lose significant value and impacted economic activity in Asia and worldwide. If the significant disruption to capital and securities markets due to uncertainty about the effects of COVID-19 continues, the Group's ability to raise new capital and refinance its existing debt may be affected.

Governments (including the Singapore government) have introduced and may continue to introduce support and relief measures in response to the COVID-19 pandemic. For example, the Singapore government had released five budget packages in 2020 as part of its support and relief measures in response to the COVID-19 pandemic, totalling approximately S\$100 billion. In addition, the Singapore government has also allocated S\$24 billion across the next three years to help firms and workers in Singapore to adapt to the changing global landscape brought on in part by the COVID-19 pandemic. In addition, the COVID-19 (Temporary Measures) Act 2020 was passed in April 2020 and introduced certain relief for individuals and businesses in financial distress as a result of the ongoing COVID-19 pandemic. The Singapore government also announced in May 2020 temporary relief measures for property developers and individuals affected by disruptions to construction timelines and sales of housing units resulting from the COVID-19 pandemic, including extension of time for commencement and completion of residential development and sale of housing units in residential development projects in relation to the remission of additional buyer's stamp duty ("**ABSD**") for housing developers. However, there is no assurance that government support packages and relief measures will be effective in improving the state of the local and global economy.

Governments around the world, including in Singapore, PRC, Indonesia and Japan where the Group operates, introduced measures designed to slow the spread of the COVID-19 pandemic, including

stricter border control and travel restrictions, office occupancy limits and other social distancing measures. The Group's hospitality properties have seen a sharp decline in accommodation demand, which may continue to be suppressed, due to such travel restrictions, and postponement or cancellation of planned MICE and social events.

These measures have also had an adverse impact on the business of the Group's shopping malls and its tenants. The loss of retailer sales is likely to place a number of the Group's tenants under financial strain. While accommodation from banks and government support may assist, these circumstances may result in tenants being unable to meet their contracted rent obligations. These measures could also reduce demand for the Group's office spaces, resulting in lower occupancies, softening of rents and potentially higher bad debt provisions. Moreover, precautionary measures put in place such as cleaning and disinfecting common areas, ensuring logistics readiness and activating regional and global response teams to provide around-the-clock assistance will lead to higher operating expenses for the Group.

There is also a risk that governments may impose restrictions on landlords, such as the Group, on the termination or enforcement of leases or require the deferral and/or waiver of rent or outgoings for a period of time. There is also an increased risk of retailers entering into administration and an increased risk of the Group having to agree to a deferral or waiver of rent or outgoing payments to financially assist retailers for a period of time. In particular, the Singapore government introduced a rental relief framework that came into force in July 2020 which mandated landlords to grant rental waivers to their SME tenants who have suffered a significant revenue drop.

The Group has introduced rental relief measures for eligible retail tenants within its properties in Singapore, including waiver of gross rental for certain periods, rental rebates, assistance schemes such as flexible payment, rental reduction to eligible tenants and passing on in full the property tax rebates received from the Singapore government. As a result of these measures, the Group's revenue, funds from operations and profits may be materially and adversely affected.

In addition, healthcare investments via the Group's investment in OUE LH or First REIT could also be affected by the COVID-19 pandemic's impact on lower utilisation rates of underlying hospital assets, which could result in a decline in revenue or valuation going forward.

Looking ahead, the emergence of new COVID-19 variants and potential new waves of outbreaks pose potential risks of protracted economic recovery. While the successful development of COVID-19 vaccines is a major milestone in bringing the pandemic under control and the production and distribution of the vaccines are being accelerated globally, COVID-19 infection rates currently remain high across the world and have resurfaced in certain countries, in particular in Asia. These have prompted many governments to maintain border controls and social distancing measures.

Both the duration of the border control, travel and social distancing restrictions and the longer-term effects of the COVID-19 pandemic on the Group's business are uncertain. Even when restrictions are lifted, there may be a period of significantly reduced economic activity, potential increased unemployment and reduced consumer spending. Should this be the case, this will affect the businesses of the Group's tenants and therefore indirectly affect the Group. These conditions may result in downward pressure on leasing demand, lease rates and the valuations of the Group's properties.

The Group's business has been, and will continue to be, adversely affected by the COVID-19 pandemic and the impact is likely to be material. As the COVID-19 pandemic is ongoing, the actual extent of the pandemic and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on the Group's business, financial condition and results of operations will depend on, among other things, the duration and impact of the COVID-19 pandemic and the extent and speed of the post-pandemic economic recovery.

The Group's operations are susceptible to macro-economic conditions and the policies of the governments in the countries in which operates

The Group currently has operations mainly in Singapore, PRC, Indonesia and Japan. While the Group remains open to potential investment opportunities overseas, its operations are primarily concentrated in Singapore. Approximately 72.3% of the Group's non-current assets as of 31 December 2020 were located in Singapore. For the financial year ended 31 December 2020, 83.4% of the Group's revenues were derived from its operations in Singapore. Therefore, the viability and profitability of the Group's business are significantly affected by the general economic conditions in Singapore. Any current or

future prolonged deterioration of the economic climate in Singapore may have an adverse effect on the Group's business, financial condition, results of operations or prospects.

In addition, the commercial, hospitality, retail, residential, healthcare, consumer and real estate markets may be adversely affected by economic, political, social or regulatory developments globally and in the region and the Group's business may also be adversely affected by changes in inflation, interest rates, taxation, or other regulatory, political, social or economic factors that impact business and leisure travel, in the case of the Group's hospitality, retail and consumer businesses. These factors include a reduction in tourist arrivals to Singapore that could affect prices or occupancy rates in the Group's hotels, reduced demand for consumer goods (including food and beverages) affecting the Group's retail and F&B operations, any deterioration of business and economic sentiment which could affect the rental and occupancy of the Group's commercial properties, any adverse developments in supply or demand for housing in the Singapore property market, the price of housing, or intense competition. See also "*– The Group's businesses, financial condition and results of operations may be materially and adversely affected by natural calamities and/or the outbreak of communicable diseases*" for further details on the impact of the COVID-19 pandemic and the consequential economic effects on the Group.

The Group's business is also subject to the cyclical nature of the property industry in Singapore, and is thus vulnerable to any downturn in the real estate market in Singapore. 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 have had and may in the future have a significant impact on the retail, commercial and residential property markets.

In addition, from time to time, the Singapore government adjusts its monetary and economic policies to prevent and curtail the overheating of the real estate market. Any action by the Singapore government concerning the economy or the real estate sector in particular may have a material adverse effect on the Group's financial condition and results of operations. For example, as residential real estate prices in Singapore have risen in recent years, the government has over the last few years adjusted its economic policies on several occasions in an effort to curb excessive price increases and discourage residential real estate speculation in Singapore. Any policy measures that the Singapore government may roll out may have an adverse effect on the residential property market in Singapore which in turn may adversely affect the Group's business, financial condition, results of operations or prospects.

The Group is subject to legislation, regulation and government policies in the countries in which it operates

The Group has operations mainly in Singapore, PRC, Indonesia and Japan. As the Group continues its operations in these countries and, to the extent the Group undertakes any investment in other countries, the Group is and will be subject to legislation, regulations and government policies in these countries covering many aspects of its business, including but not limited to:

- the conduct of the Group's operations and the ownership of its properties;
- the management of hotels, such as requirements that hotels must be registered and hotel managers must be licensed to manage the hotel;
- environmental laws and regulations, including relating to pollution and noise control, cleanliness, sanitation and waste disposal; and
- competition laws, which generally prohibit anti-competitive behaviour.

The Group's business and results of operations may be adversely affected should there be any withdrawal, suspension or non-renewal of any of the certificates of registration and/or licences, or the imposition of any penalties as a result of any infringement of or non-compliance with any laws, rules or regulations applicable to the Group's properties.

In addition, the legislation, regulations and government policies in certain of these jurisdictions are nascent and may be untested in courts or may have different interpretation and guidance, and regulatory authorities may exercise broad discretion in assessing the Group's compliance with applicable laws and regulations. Further, any changes in legislation, regulation and government policies in any of these countries, including changes relating to the business sectors in which the Group operates, foreign investments, tax and foreign exchange currency controls, may result in higher costs of compliance and/or otherwise adversely affect the Group's business and operations.

The Group may not be successful in implementing its strategies or replicating its business model in other business segments or geographical markets

There is no assurance that the Group will succeed in expanding into new business segments or geographical markets on a timely basis or in achieving profitability, and the Group may not be able to transfer skills and experience from one business segment or geographical market to another.

For instance, in 2019, the Group expanded into the consumer business, comprising the operation of F&B outlets with various dining and lifestyle concepts. While this expansion represents organic growth of the Group's hospitality division by leveraging the Group's resources and experience in delivering distinctive dining and lifestyle concepts, the operation of F&B outlets may be subject to additional risks and a different competitive environment. The F&B industry is highly competitive and the barriers to entry are low. The Group competes based on factors such as location, quality, price, customer service, ambience and overall dining experience, and strives to differentiate its F&B outlets in terms of dining concepts, pricing and quality. However, there may be other F&B establishments that offer similar dining concepts and pricing. Further, in order to remain competitive, the Group will need to constantly innovate to meet the changing demands and preferences of its customers, which may require the Group to change existing or introduce new dining concepts and/or refurbish its F&B outlets, any of which may result in an increase in its operating costs. There is no assurance that the Group will be able to compete successfully against its existing or potential competitors in the consumer F&B segment.

In addition, in 2021, the Guarantor announced plans to further expand its consumer business into the retailing of consumer goods through the acquisition of a controlling stake in Matahari (please see the section "*The Guarantor and the Group – Business Operations – Consumer*" for further details). Despite Matahari's market leadership position in Indonesia with a unique portfolio of assets, its shares have underperformed those of its peers on a five-year basis. While the Guarantor intends to work with the management of Matahari to develop a refreshed strategy and improve the prospects of its business, there is no assurance that such strategy will be effective or that the Group will be able to successfully overcome the challenges in the Indonesian large format retail industry and the threat from competition.

Further, the Group intends to continue to expand its operations from its hospitality business into retail, commercial and healthcare sectors through the development, management and ownership of retail, commercial and healthcare properties and assets. The Group has also expanded its real estate portfolio by developing and selling residential properties. In contrast to the Group's hospitality business, the management and lease of retail, commercial and healthcare properties and the development and sale of residential properties require different regulatory approvals, types of design, layout and building materials, as well as different development, marketing and management strategies and skills. There is also no assurance that the Group will be able to identify and acquire attractive sites in the future at commercially acceptable prices, or at all.

The Group's external growth strategy and market selection process may not ultimately be successful and may not provide accretive returns. Acquisitions of new properties for development or redevelopment may cause disruptions to the Group's operations and divert management's attention away from day-to-day operations of the Group's existing assets. The Group may need to hire or engage additional staff, or enter into joint ventures or other contractual arrangements with third parties with appropriate expertise in particular fields in relation to the development or management or marketing, as the case may be, of particular retail, commercial, residential and healthcare properties in order to successfully implement its retail, commercial, residential and healthcare property strategies. If the Group is unable to attract and retain the appropriate skilled personnel, this will impact its ability to implement its business expansion plans.

In addition, property development and renovation or redevelopment of an existing property is capital intensive. The availability of adequate financing is crucial to the Group's ability to acquire land and properties and to complete its development projects according to plan. The Group expects to finance future land and property acquisitions for development and redevelopment from a combination of internal funds, bank borrowings and proceeds from debt and equity offerings. By doing so, the Group's gearing may increase.

The Group's ability to arrange adequate financing for land and property acquisitions or property development, redevelopment or renovations on terms that will allow the Group to achieve a commercially acceptable return depends on a number of factors that are beyond the Group's control, including general economic and political conditions, the state of international capital markets, the terms on which financial institutions are willing to extend credit to the Group and the availability of other

sources of debt or equity financing. The Group may not have sufficient internal funds available for land acquisitions or property development, redevelopment or renovation, and it may not be able to achieve sufficient sales to fund its property development, redevelopment or renovations. In addition, the Group may not be able to secure adequate financing, if at all, or renew credit facilities granted by banks and financial institutions on terms favourable to the Group or at all. As of 31 December 2020, the Group's outstanding borrowings amounted to approximately S\$3.5 billion. Furthermore, the additional incurrence of debt will increase the interest payments required to service the Group's debt obligations and could result in operating and financial covenants that restrict its operations. If the Group does not have adequate resources to finance land acquisitions or property development, redevelopment or renovation, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Political instability in certain countries in which the Group operates in may have a material adverse effect on the Group

Some of the countries in which the Group operates have experienced or continue to experience political instability. The continuation or re-emergence of such political instability in the future could have a material adverse effect on the economic or social conditions in those countries, which could lead to outbreaks of civil unrest in the affected areas. For example, with the recent military coup and subsequent state of emergency declared by Myanmar's military junta in February 2021, the overall outlook for Myanmar, which is one of the markets that OUELH has invested in through joint ventures, is likely to be challenging. As at 31 December 2020, the carrying amount of the Group's investment in the Myanmar Group amounted to approximately S\$25.8 million. The Myanmar Group operates three hospitals and four clinics in Myanmar. Though their operations are still ongoing, OUELH will continue to closely monitor the developments in Myanmar and their impact on its business operations, and has developed contingency plans to respond to the dynamic situation. Any such political instability could have an adverse effect on the business and results of operations of the Group, and consequently the financial performance of the Group.

The Group faces competition that could adversely affect its business and financial position

The hospitality and leisure and F&B industries are highly competitive. The Group's hotels compete with international, regional and local resort and hotel companies, some of which have greater name recognition and financial resources than the Group does. The Group's hotels are located in areas where competition is intense. Competitive factors at each hotel destination include room rates, quality of accommodation, name recognition, service levels and convenience of location, and to a lesser extent, the quality and scope of other amenities, including F&B facilities. Competition also exists between destinations and is affected by factors such as political stability, social conditions, market perception, local culture, the ability of the location to successfully promote itself as a tourist destination, accessibility, infrastructure and other macro-level factors. The Group's hotels will compete with existing hotel facilities in their geographic markets, as well as future hotel facilities that may be developed in proximity to the existing hotels. There can be no assurance that existing or new 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 the Group operates, thereby adversely affecting its results of operations. There also can be no assurance that demographic, geographic or other changes in markets will not adversely affect the accessibility or attractiveness of the Group's hospitality properties.

With respect to the Group's commercial, retail, residential and healthcare real estate holdings, its performance may be adversely affected by a number of local real estate market conditions, such as the attractiveness of competing commercial, retail, residential or healthcare properties, an oversupply of commercial, retail, residential or healthcare space or reduced demand for commercial, retail, residential or healthcare space. There are many commercial and retail properties which compete with the Group's properties in attracting tenants and many residential properties which compete with the Group's properties in attracting buyers.

Competition in the property development business is intense. A number of leading international and domestic real estate development and investment groups currently operate in Singapore and in the other markets in which the Group operates. Many of these groups, both private and state-owned, have significant financial, managerial, marketing and other resources, as well as experience in property and land development. Competition between property developers may result in, among other things, increased costs for the acquisition of land for development, oversupply of properties, a decrease in

property prices, a decrease in the rate at which new development properties will be approved or reviewed by the relevant government authorities, an increase in construction costs and difficulty in obtaining high quality contractors and qualified employees. Any such consequences may adversely affect the Group's business and operations.

In addition, the real estate market in Singapore, and in the other countries in which the Group operates, is dynamic. If the Group cannot respond to changes in market conditions more swiftly or effectively than its competitors, its ability to generate revenue, its financial condition and its results of operations may be adversely affected.

Further, whenever competing properties of a similar type are built in areas where the Group's properties are located or similar properties in their vicinities are substantially upgraded and refurbished, the revenue produced by the Group's properties may be reduced.

The F&B industry is also highly competitive and the barriers to entry are low, as further described in "*– The Group may not be successful in implementing its strategies or replicating its business model in other business segments or geographical markets*".

The intense competition in all areas of the Group's business may have an adverse effect on its business, financial condition, results of operations and prospects.

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 action

The Group may be involved from time to time in disputes with various parties involved in the development, sale, lease and operation of its properties, such as contractors, sub-contractors, suppliers, construction companies, purchasers, lessees, co-tenants and other parties. In addition, there is a possibility that the Group may have disputes in the future with the owners of the hospitality properties which it operates. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable decrees that result in financial losses and delays in the construction or completion of its projects.

In particular, the land on which Mandarin Orchard Singapore and Mandarin Gallery are situated, and its neighbouring land, each enjoys and is subject to easement rights over and against the other. Such easement rights were granted by the original lessee of the land and the said neighbouring land. While historically, the rights of use have not been strictly adhered to by all parties, the possibility of any legal proceedings arising in connection with such easement rights in the future cannot be ruled out.

In addition, as described in "*– The Group is subject to legislation, regulation and government policies in the countries in which it operates*", the Group's business is subject to extensive laws, regulations and licensing requirements in the countries in which the Group operates, and there is no assurance that the Group, or its employees, agents, independent contractors or other persons acting on behalf of the Group, will at all times be in compliance with all laws and regulations to which the Group is subject. From time to time, regulators may subject the Group to reviews, queries, investigations and/or other regulatory actions.

If courts or regulatory authorities hold the Group, or persons acting on behalf of the Group, to be in violation of any laws or regulations, including conditions in the permits and licences required for the Group's operations, the Group may have to pay fines and/or be subject to other penalties, including the revocation of such permits and licences, modification, suspension or discontinuation of the Group's operations, incurring of additional operating costs or making of capital expenditures. Any investigation or legal and regulatory proceedings in connection with alleged violations may also result in the imposition of further financial or other obligations or restrictions on the Group, and/or generate negative publicity for the Group and its business. Any violation of laws, regulations and licensing requirements and/or investigations and proceedings in connection with any such alleged violation may also have a material and adverse effect on the Group's reputation, business, financial condition, results of operations, cash flows and prospects.

Intellectual property infringement by or against the Group could be seriously detrimental to its business

Due to the complexity and variety of intellectual property laws and regulations, the Group may unintentionally infringe upon the intellectual property rights of others in the course of its business

activities. This could result in financial and reputational damage to the Group. Furthermore, even if the Group does not infringe upon such rights, merely receiving an infringement claim could result in distraction to management, high litigation costs, reputational damage and even reduced revenue. Any or all of these factors, individually or in the aggregate, may have a material adverse effect on the Group's business, results of operations and financial condition.

Obtaining intellectual property protection can be a lengthy and expensive process, and such rights may not be granted on a timely basis or at all. The Group's current trademarks and other rights may be insufficient in scope or strength to provide it with sufficient protection of its intellectual property rights or adequate commercial advantage. Such trademarks or other rights could also be challenged, invalidated or circumvented. Litigation may be necessary to enforce the Group's intellectual property rights. Such litigation may not succeed in protecting the Group's rights. The Group may also as a result need to enter into arrangements in respect of intellectual property rights which limit its ability to use the same. The Group has previously had disputes regarding its intellectual property and consequently, is restricted from using the name "Mandarin" in relation to future hotels outside Singapore. Any or all of these factors, individually or in the aggregate, could have a material adverse effect on the Group's business, results of operations and financial condition.

In addition, it is difficult to monitor and prevent the unauthorised use of the Group's intellectual property. The measures the Group takes to protect its brands, trade names, trademarks and other intellectual property rights may not be adequate to prevent their unauthorised use by third parties. Not all of the countries in which the Group operates may have established intellectual property laws and the ability to monitor and enforce intellectual property rights. If the Group is unable to adequately protect its brands, trade names, trademarks and other intellectual property rights, it may lose these rights and its business may suffer materially.

Interruption or failure of the Group's information systems may impair its ability to effectively provide its services, which may damage its reputation

The Group's ability to provide consistent and high-quality services and to monitor its operations on a real-time basis across all its entities depends on the continued operation of its information technology systems, infrastructure, network, and security, including its online distribution, central reservations, enterprise resource planning and customer relationship management systems for the hospitality business. Any damage to or failure of the Group's systems could interrupt its inventory management, affect service efficiency, consistency and quality or reduce its customer satisfaction.

The Group uses a non-proprietary technology platform through a third party vendor. Its technology platform plays an important role in its management of its revenues, inventory and loyalty programmes. Computer viruses, fires, floods, earthquakes, hacking, cyber-attacks or other attempts to harm this system, or other similar events, all have the potential to cause difficulties with the technology platform. Such difficulties could require certain systems and applications such as reservation and billing activities to be conducted off-line or manually. Some of these third party vendor's systems are not fully redundant, and their disaster-recovery planning may not account for all possible scenarios. Furthermore, the Group's systems and technologies, including its website and database, could contain undetected errors or "bugs" that could adversely affect their performance or could become outdated. If the Group experiences system failures, its quality of service, customer satisfaction, and operational efficiency may be severely harmed, which may also adversely affect its reputation.

Failure to maintain the integrity of internal or customer data may result in harm to the Group's reputation or subject the Group to costs, liabilities, fines or lawsuits

The Group's hospitality and consumer businesses involve collecting and retaining large volumes of internal and customer data, including credit card numbers and other personal information as its various information technology systems enter, process, summarise and report such data. The Group also maintains information about various aspects of its business operations as well as its employees. The integrity and protection of the Group's customer, employee and company data are critical to its business and the Group is required to comply with data protection laws in the countries in which it operates. Theft, loss, fraudulent or unlawful use of customer, employee or company data, or any other breach of applicable data protection laws, may harm the Group's reputation or result in remedial and other costs, liabilities, fines or lawsuits.

The Group's expansion plans may place additional demands on its management and key in-house operating divisions

Rapid growth in the Group's commercial, hospitality, retail, residential, healthcare and consumer operations may place additional demands on its management team, its marketing team, its in-house project management division and its financial reporting and information systems. The Group's planned expansion will also require it to maintain the consistency of its products and the quality of its services to ensure that its business does not suffer as a result of any deviations, whether actual or perceived. In order to manage and support the Group's growth, the Group must continue to improve its existing operational, administrative and technological systems and its financial and management controls, and recruit, train and retain qualified management personnel as well as other administrative and sales and marketing personnel, particularly as it expands into new markets. There is no assurance that the Group will be able to effectively and efficiently manage the growth of its operations, recruit and retain qualified personnel and integrate new properties into its operations. Any failure to effectively and efficiently manage the Group's expansion may materially and adversely affect its ability to capitalise on new business opportunities, which in turn may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group depends on key personnel and qualified managerial and other employees for its continued success

The Group places substantial reliance on the experience and the institutional knowledge of members of the current management team. Dr. Stephen Riady, the Executive Chairman and Group Chief Executive Officer, and other members of the management team are particularly important to the Group's future success due to their substantial experience in the hospitality and real estate sectors. Finding suitable replacements for Dr. Stephen Riady and other members of the management team could be difficult, and competition for such personnel of similar experience is intense.

The Group's performance also 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.

If the value of the Group's products or image diminishes or the Group's marketing and branding strategies are not effective, the Group's business and results of operations may be adversely affected

The Group offers high-quality hotel products and services that are designed to target distinct groups of customers, and relies on its brand recognition and branding strategies to expand its customer base and increase its market share in Singapore and other target markets.

The success and continued growth of the Group's business are also dependent on its ability to establish effective marketing strategies to maintain and increase its customer base, to capture a bigger market share and to increase its turnover. The Group's continued success in maintaining and enhancing its brand and image depends, to a large extent, on its ability to satisfy customer needs by further developing and maintaining its innovative and distinctive products and maintaining the consistency and quality of its services, as well as its ability to respond to competitive pressures. In

addition, the Group's ability to attract high-end retail vendors, which comprise a substantial portion of the Group's current tenant base, may be affected by the success or failure of the Group's marketing and promotional efforts.

The Group may not be able to formulate and implement new and effective branding strategies to promote its brand names in the future. In the event that it fails to promote and enhance its brand names, its business and operating results may be adversely affected. Any misjudgement in assessing its customers' needs and changes in its customers' preferences may also result in loss of sales.

The Group's business may also be adversely affected if its public image or reputation were to be diminished by the operations of any of its hotels or F&B outlets, whether due to unsatisfactory service, accidents or otherwise. The Group also engages and may in future engage third party hotel operators for the Group's hospitality properties. Any negative publicity in respect of any such operators may impact the occupancy of such hotels and could adversely affect the Group's results. If the value of the Group's products or image is diminished or if the Group's products do not continue to be attractive to customers, the Group's business and results of operations may be materially and adversely affected.

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 Group's reputation and the performance of the Group's joint ventures, which may in turn materially and adversely affect the Group's financial condition and results of operations.

The Group operates in a capital intensive industry that relies on the availability of sizeable amounts of capital

The real estate business is a capital intensive industry. If the Group is unable to access funds to create or maintain premium condition and appearance for its properties, the attractiveness of its properties and its reputation may suffer and the Group's recurring revenues, development revenues or both may decline. In order to maintain the condition and appearance of the Group's properties, ongoing renovations and other improvements, including periodic replacement of furniture, fixtures and equipment, may be required.

All aforementioned investments and expenditures require ongoing funding and, to the extent the Group cannot fund these expenditures from its existing cash or cash flow generated from operations, the Group may have to borrow or raise capital through financing. The Group may not be able to access capital when necessary. Among other things, as described in "*– The Group's businesses, financial condition and results of operations may be materially and adversely affected by natural calamities and/or the outbreak of communicable diseases*", if the significant disruption to capital and securities markets due to uncertainty about the effects of the COVID-19 pandemic continues, the Group's ability to raise new capital and refinance its existing debt may be affected. If the Group fails to make investments necessary to maintain and/or improve its properties, the attractiveness of its properties and/or its brands could suffer, it could lose market share to its competitors, its hotel, retail, commercial and healthcare occupancy rates and profits may decline and the Group's success in selling its residential units may be adversely affected. Any of these factors may adversely affect the Group's results of business, reputation, financial condition, results of operations and prospects.

The Group faces risks associated with debt financing

The Group is subject to risks associated with debt financing, including the risk that its cash flow may be insufficient to meet required payments of principal and interest under such financing and to make distributions. The Group is also subject to the risk that it may not be able to refinance its existing borrowings or that the terms of such refinancing may not be as favourable as the terms of its existing

borrowings. Further, most of the Group's properties are mortgaged. If the Group is unable to meet interest or principal payments, such mortgaged properties could be foreclosed by the lender(s) or the lender(s) could require a forced sale of the mortgaged properties with a consequent loss of income and asset value to the Group.

In addition, the Group may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and its ability to make distributions to its shareholders. Such covenants may also restrict its ability to acquire properties or undertake other capital expenditures or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make available commercial real estate debt financing) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which may adversely affect the Group's cash flow which in turn may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Higher interest rates may have a significant impact on the Group's financial performance

The Group currently partially funds, and expects to continue to partially fund, its business and future growth through debt. Some of the Group's existing debt carry floating interest rates and some of the Group's borrowings in future may carry floating interest rates, and consequently, the interest cost to the Group for such debt financing will be subject to fluctuations in interest rates. In addition, the Group is and may in future be subject to market disruption clauses contained in its debt financing agreements with banks. Such clauses will generally provide that to the extent that the banks may face difficulties in raising funds in the interbank market or are paying materially more for interbank deposits than the displayed screen rates, they may pass on the higher cost of funds to the Group, notwithstanding the margins agreed. Furthermore, although the Group may enter into some hedging transactions to partially mitigate the risk of interest rate fluctuations, such hedging or its hedging policy may not adequately cover its exposure to interest rate fluctuations. Consequently, interest rate fluctuations may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to risks relating to foreign currency exchange rate fluctuations and hedging transactions

Because of its geographic diversity, the Group holds assets, receives income and incurs liabilities and expenses in a number of currencies, including Singapore dollars, Indonesian Rupiah, Japanese Yen and Renminbi. The different exchange rates prevailing at the times of payment and receipt may give rise to foreign currency exchange gains and losses. Consequently, the Group's costs, profit margin, cash flows and asset values may be affected by fluctuations in the exchange rates of the aforementioned currencies.

In addition, the Group's financial statements are presented in Singapore dollars. Exchange gains or losses may arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore dollars for financial reporting or repatriation purposes. If foreign currencies depreciate against the Singapore dollar, it may materially and adversely affect the Group's reported financial results.

The Group has entered into certain hedging transactions to partially protect itself against the effects of interest rate fluctuation on floating rate debts and foreign currency exposure. The Group is therefore subject to risks inherent in hedging transactions which it has entered into. There are also costs involved in hedging as there may be upfront fees payable or downward fair value adjustments to the mark-to-market values. In addition, no hedging can completely eliminate risks associated with changes in interest rates and exchange rates.

The Group is subject to credit risk arising from defaulting counterparties

Credit risk may arise when counterparties default on their contractual obligations resulting in financial loss to the Group. Although the Group adopts a policy of only dealing with creditworthy counterparties and the Group regularly reviews its credit exposure to its customers, credit risks may nevertheless arise from events or circumstances that are difficult to anticipate or detect, including, but not limited to, political, social, legal, economic and foreign exchange risks, that may have an impact on its customers' ability to make timely payment and render the Group's enforcement for payments ineffective. Credit risk on cash and bank balances and derivative financial instruments including interest rate hedging is limited as these are placed or transacted with reputable institutions.

The Group's insurance policies may be insufficient

The Group's properties could suffer physical damage caused by fire or natural disaster or other causes for which the Group may suffer public liability claims, all of which may result in losses that may not be fully compensated by insurance proceeds. In addition, certain types of risks (such as the risk of war and terrorist acts) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property. The Group would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates. Such factors may adversely affect the Group's business, financial condition, results of operations and prospects.

Potential liability for environmental problems could result in substantial costs

The Group is subject to a variety of laws and regulations concerning the protection of health and the environment that may require a current or previous owner of real estate to investigate and clean up hazardous or toxic substances on a property. For example, owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. Environmental laws and regulations may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous substances and other regulated materials which also result in an increment of compliance costs. Failure to comply with these laws may result in penalties or other sanctions.

The Group believes that it is in compliance in all material respects with applicable environmental regulations in Singapore, PRC, Indonesia, Japan and other jurisdictions in which it invests and operates. However, there can be no assurance that the Group will always be able to comply with the relevant environmental regulations and should the Group fail to comply with existing or future environmental laws and regulations in the jurisdictions in which it operates, its reputation may be damaged and/or it may be required to pay penalties or fines or take remedial actions, any of which may have a material adverse effect on its business, financial condition, results of operations and prospects.

RISKS RELATING TO THE GROUP'S BUSINESS DIVISIONS

The Group's hospitality and consumer businesses are subject to all of the risks inherent in the hospitality and consumer industries

Historically, the Group's operations have been focused on its hospitality business. In 2019, the Group expanded into the consumer business through its subsidiary, OUE Restaurants, comprising the operation of F&B outlets, and in 2021, has announced plans to further expand its consumer business into the retailing of consumer goods through the acquisition of a controlling stake in Matahari (please see the section "*The Guarantor and the Group – Business Operations – Consumer*" for further details). A number of factors, many of which are inherent to the hospitality and consumer industries and beyond the Group's control, may materially and adversely affect the Group's hospitality business and consumer business divisions, including but not limited to the following:

- increased competition from other hotels in the Group's market for guests, meetings and special events such as weddings that could affect occupancy levels and revenue at the Group's hotels;
- increased competition from other accommodation options and alternatives such as Airbnb which may offer more attractive rates for guests;
- increased competition from other F&B establishments, in particular those that offer similar dining concepts and pricing as the Group's F&B outlets;
- increased competition from other consumer goods retailers including online retailers, in particular those that offer similar goods and pricing as the Group's consumer goods retail outlets;
- increases in operating costs due to inflation, labour costs, workers' compensation and health-care and hygiene related costs, utility costs, insurance and unanticipated costs such as acts of nature and their consequences and other factors that may not be offset by increased room rates;

- threats of terrorism, airline strikes, outbreaks of infectious diseases (including the COVID-19 pandemic), war, civil unrest, fires, natural disasters or other calamities, increases in supply costs, airline fares and other expenses relating to travel or other factors that may affect travel patterns and reduce the number of business and commercial travellers and tourists, as well as other factors that may not be offset by increased room rates;
- 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;
- success of the Group's F&B operations in both the hospitality and consumer business divisions;
- increases in maintenance or capital improvements or the need to refurbish the Group's F&B and/or consumer goods retail outlets;
- changes in regulations or changes in application of regulations in the countries in which the Group operates, such as health and liquor licencing 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, which could affect any government licences necessary to operate the Group's hotels and F&B outlets, including the preparation and sale of food and beverages; and
- adverse effects of a downturn in the hospitality, consumer and tourism industry.

In particular, the COVID-19 pandemic and resultant restrictions on travel and movement have significantly impacted the hospitality and tourism industry globally, as well as the local F&B consumer industry.

Additionally, under the master lease agreements which the Group has entered into in respect of Mandarin Orchard Singapore and CPCA (including CPEX), the Group has committed to payments of minimum rent irrespective of the performance of the hotels. This may have an adverse impact on the Group's revenue and profits, especially in the event of a downturn in the hospitality industry.

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

The Group relies on independent contractors and operators for its residential, hospitality and development projects

The Group engages independent third party contractors and operators to provide various services in connection with its property management business (including management of the Group's hospitality assets and development services), such as design, construction, piling and foundation, building and property fit-out works, installation of air-conditioning units and elevators, and interior decoration.

The Group invites contractors and operators to tender bids based on their reputation for quality and their track record. The services rendered by independent third party contractors and operators may not always be satisfactory or match the level of quality that the Group requires. Further, actions or omissions on the part of such independent third party contractors may result in liability for the Group. For example, if the independent third party contractor which the Group engages for the management of its hospitality assets fails to put in place adequate measures to prevent accidents, injuries or prohibited activities as further described in “– *Accidents, injuries, prohibited activities or food contamination incidents in the Group's hospitality assets and F&B outlets may adversely affect its reputation and subject it to liability*”, or engages in anti-competitive behaviour in breach of applicable competition laws, the Group may be subject to liability, regulatory penalties and negative publicity, which may have a material and adverse effect on the Group's business, reputation and operations.

Moreover, contractors and operators may experience financial or other difficulties that may adversely affect their ability to carry out the work for which they were contracted, thus delaying the completion of the Group's property development projects, reducing the service quality of the Group's residential, hospitality and healthcare projects or resulting in additional costs for such projects. Any of these factors could adversely affect the Group's results of business, reputation, financial condition, results of operations and prospects.

The hospitality business is seasonal. The Group's costs and expenses may remain constant or increase even if its hotel revenues decline, which may adversely affect its net profit and results of operations

Certain periods in each financial year generally account for a lower portion of the Group's annual revenues than other periods due to seasonal fluctuations in the tourism industry and in the number of overseas visitors to Singapore or other countries in which the Group operates hotels. However, the Group's expenses do not vary significantly with changes in occupancy rates and revenues because a significant portion of operating costs in its hospitality business, including employee base salaries, rental costs, information management system vendor fees, and telephone expenses, is fixed. Accordingly, a decrease in revenues could result in a disproportionately higher decrease in the Group's earnings because its operating costs and expenses are unlikely to decrease proportionately. The Group's costs and expenses may remain constant or increase even if its revenues decline, which would adversely affect its results of operations.

Unionisation of the Group's employees may adversely affect its hospitality business

Most of the Group's hospitality staff in Singapore belong to labour unions. From time to time, the Group may enter into agreements with the various labour unions in the countries in which it operates and will be subject to the terms of such collective agreements. No assurance can be given that the Group's employment contracts can be negotiated on terms agreeable to it or that contracts with existing staff will be renewed upon the expiration of the contracts. Furthermore, any inability to negotiate satisfactory terms or renew collective agreements with the unions may impact the Group's ability to hire and retain qualified personnel, which may adversely affect the standards of its hospitality business, and thus the results of its operations and its 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. Such intermediaries and consolidators 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 may in turn adversely affect its margins and profitability.

Accidents, injuries, prohibited activities or food contamination incidents in the Group's hospitality assets and F&B outlets may adversely affect its reputation and subject it to liability

There are inherent risks of accidents, injuries or prohibited activities (such as illegal drug use, gambling, violence or prostitution by guests) that may take place in hotels. The occurrence of one or more accidents, injuries or prohibited activities at any of the Group's hotels may adversely affect the Group's safety reputation among guests, harm its brand, decrease its overall occupancy rates and increase its costs by requiring the Group to implement additional safety measures. In addition, if accidents, injuries or prohibited activities occur at any of the Group's hotels or F&B outlets, the Group may be held liable for costs or damages and fines. The Group's current property and liability insurance policies may not provide adequate or any coverage for such losses, and the Group may be unable to renew its insurance policies or obtain new insurance policies without increases in premiums and deductibles or decreases in coverage levels, or at all.

Further, food contamination and tampering is a risk inherent in the F&B industry. The ingredients used in the Group's F&B outlets include fresh ingredients which are procured from various suppliers and are highly perishable and susceptible to contamination if not properly stored or packed. There may also be contamination during the food preparation process as a result of lapses in food handling hygiene. Contaminated ingredients may result in customers falling ill and as a result, customer complaints and negative publicity, and may escalate into legal proceedings against the Group and/or investigations by regulatory authorities. The occurrence of any of the foregoing may have a material impact on the Group's business and operations.

The profit earned from, and the value of, the Group's retail and commercial properties may be adversely affected by a number of factors

The profit earned from, and the value of, the Group's retail and commercial properties may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of leases that lead to lower occupancy rates which reduce the Group's revenue;
- the inability to collect rent from tenants on a timely basis or at all;
- rental rebates given to tenants facing market pressure;
- tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease, or which could hinder or delay the re-letting of the space in question;
- the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than those of current leases;
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, retail and commercial space, changes in market rental rates and operating expenses for the Group's properties);
- the inability to arrange for adequate management and maintenance or to put in place adequate insurance;
- competition for tenants from other properties which may affect rental levels or occupancy levels at the Group's properties and competitors' initiatives to increase shopper traffic (such as advertising campaigns and mall promotions etc.);
- competition from online retailers that may deter existing tenants from renewing their leases or potential tenants from leasing space in the Group's properties;
- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment. Moreover, recent changes to laws, regulations and policies in respect of anti-money laundering and countering the financing of terrorism have resulted in increases in costs of compliance for companies;
- acts of God, wars, terrorist attacks, riots, civil commotions, outbreaks of infectious diseases (including the COVID-19 pandemic) and other events beyond the Group's control; and
- higher interest rates.

Downturns in the retail and consumer industries and commercial and residential property sectors will likely have a direct impact on the Group's revenues and cash flow

The Group's financial performance is dependent on economic conditions in the Singapore market and in the other markets in which it operates, for retail, commercial, residential and consumer space generally. The demand for retail, commercial, residential and consumer space could be adversely affected by any of the following:

- acts of God, wars, terrorist attacks, riots, civil commotions, outbreaks of infectious diseases (including the COVID-19 pandemic) and other events beyond the Group's control;
- 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, residential or consumer space in the Group's target markets;
- a reduction in the demand for tenants to occupy the Group's commercial properties as a result of flexible and/or remote work arrangements;

- 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 policies and regulation; and
- higher interest rates.

To the extent that any of these factors occur, they are likely to impact market rents for retail, commercial and consumer space and sales of residential units which will then affect the Group's financial condition and results of operations.

The Group may be adversely affected by the inability to find replacement tenants on favourable terms or at all, or by its exposure to key tenants

In the event that the Group is not able to find replacement tenants, vacancies following non-renewal of leases may lead to reduced occupancy levels. The terms of replacement tenancies may also be less favourable than current leases, which may result in a reduction of the Group's revenue. In addition, the fact that a concentration of leases expire at the same time might give the Group's existing or prospective tenants leverage in negotiating lower rental rates, which might adversely impact the Group's revenue and business.

Office rental rates, including rates for prime Grade-A office buildings, have experienced significant volatility in recent years due to global and regional economic instability as well as increases or decreases in the supply of Grade-A office buildings that have become or may become available from time to time. Rental rates are also dependent on global and regional economic forces outside the Group's control. If rental rates decline as a result of this increase in supply or due to economic conditions, the Group may be unable to lease its commercial properties on commercially viable terms or at all. If actual market conditions at the time the Group enters into leases are not favourable, the Group's financial performance and results of operations may be materially and adversely affected.

In addition, part of the Group's space is leased to tenants considered "key" tenants because of their ability to attract customers and/or to attract other potential tenants. The Group's ability to lease vacant units and the value of such units in the Group's properties could be adversely affected by the loss of a key tenant or in the event such key tenant files for bankruptcy or insolvency or experiences a downturn in its business. Space that has been vacated by a key tenant can reduce the demand for and value of other units in the Group's properties, for example, in the case of retail units, because of the loss of the exiting key tenant's customer drawing power. In addition, the Group may face difficulties in finding suitable replacement tenants for space vacated by key tenants in a timely manner, if at all, and if found, the lease terms with such replacement tenants may be less favourable or satisfactory. Under certain market conditions, key tenants may receive more favourable terms, for example, lower rental rates or other incentives. Accordingly, the Group's ability to optimise its revenue and cash flow for such space that has been leased to such key tenants could be adversely affected.

The Group's financial performance depends on the ability of its tenants to address challenges in the retail market

Customer demand for many retail products offered for sale in the Group's retail space may decline in times of recession or other periods in which consumer confidence or purchasing power is negatively affected due to such merchandise representing discretionary purchases. Retail market conditions have also historically been, and could in the future be, adversely affected by, among others, a downturn in the tourism industry or macroeconomic conditions generally, adverse developments in the financial condition of any of the large retailing companies, reduction in demand for physical purchases of consumer items as a result of the Internet and e-commerce, increases in labour costs and costs associated with property improvements and rentals.

Further, the retail industry is subject to changing trends in fashion and consumer preferences and the success of tenants in the Group's retail space is to a large degree contingent on their ability to anticipate these trends and to cater to the resulting tastes of their customers. Any business failure of its tenants may expose the Group to the risk of tenant defaults under its lease agreements, damage to the image of the Group's retail properties and may adversely affect the Group's ability to maintain its tenancy levels across its respective properties.

Risks associated with any asset enhancement works

The asset enhancement initiatives undertaken by the Group and the time and costs involved for asset enhancement works may be adversely affected by various factors, including, but not limited to, delays or inability to obtain all governmental and regulatory licences, permits, approvals and authorisations, construction risks, the need to incur significant capital expenditures without receiving revenue from the property during the course of the asset enhancement and uncertainties as to market demand or a loss of market demand by tenants and consumers after the asset enhancement has begun, whether resulting from a downturn in the economy, a change in the surrounding environment, or otherwise.

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

The Group's projects may not be completed or may not be completed on schedule

The Group's success and financial performance will depend on its ability to identify, develop, market and sell its projects in a timely and cost effective manner. The Group's development activities are subject to the risk of delays in obtaining required approvals, availability of raw materials, increases in construction costs, natural disasters and reliance on third party contractors as well as the risk of decreased market demand during the development of a project. As a result of these and other factors described herein, no assurance can be given as to whether or when the Group's projects will be successfully completed or completed on schedule.

As at the Latest Practicable Date, the Group does not have any uncompleted residential property development projects. However, should the Group embark on residential property development projects in the future, there is no assurance that the Group will be successful in selling all the units of such projects and any inability to sell units by the stipulated deadlines may result in penalties.

Further, some units of OUE Twin Peaks are subject to sale arrangements under the Group's deferred payment schemes pursuant to which the purchaser of a unit pays a certain deposit and defers the rest of the payment for a period of two to three years. There is therefore no certainty that the sale of these units will be completed within the stipulated timeframe.

The Group is subject to risks in relation to pre-sold units in the Group's residential development projects

The Group faces risks relating to pre-sale of properties in the event that the Group pre-sells any units in its residential development projects. 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 poor site management by the contractors, delays in obtaining requisite licences, permits or approvals from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents and changes in government priorities and policies. If the delay extends beyond the contractually specified period, these buyers may 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, cash flow and financial position.

The Group faces significant risks before it realises any benefits from its development properties

The Group's primary business has historically been the management and ownership of hospitality properties. The Group has expanded its operations to include the development, lease or sale, as the

case may be, of retail, commercial, residential and healthcare properties. Development properties typically require substantial capital outlay during the land acquisition and construction phases and may take one or more years before positive cash flows may be generated through pre-sales or sales of a completed property development. Depending on the size of the development, the time span for completion of a property development usually lasts for several years. Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the development, which in turn have a direct impact on the profitability of the project. Factors that may affect the profitability of a project include the risk that the receipt of government approvals may take more time than expected, the failure to complete construction according to original specifications, schedule or budget, and lacklustre sales or leasing of the properties. The sales and the value of a property development project may be adversely affected by a number of factors, including but not limited to the international, regional and local political and economic climate, local real estate conditions, the perceptions of property buyers, businesses, retailers or shoppers of the convenience and attractiveness of the projects, competition from other available properties, changes in market rates for comparable sales and increased business and operating costs. If any of the property development risks described above materialises, the Group's returns on investments may be lower than originally expected and the Group's financial performance may be materially and adversely affected.

The property development business is subject to significant governmental regulation and approvals

The Group is subject to numerous laws and regulations in all of the jurisdictions in which it operates, including those relating to property development. The success of the Group's strategy to expand its existing properties, acquire new properties or open or operate newly-constructed properties is contingent upon, among other things, receipt of all required planning approvals, licences, permits and authorisations, including local land use permits, building and zoning permits and environmental, health and safety permits. Changes or concessions required by regulatory authorities could also involve significant costs and delay or prevent the completion of the construction or opening of a project or could result in the loss of an existing licence.

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. The Singapore government 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, in 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 SSD rates ranging from 4% to 16% which were imposed on residential properties which were acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within one to four years of acquisition. In March 2017, the Singapore government announced the shortening of the holding period for imposition of the SSD on residential properties from four years to three years, based on lowered rates. In 2018, the Singapore government raised the top marginal Buyer's Stamp Duty ("BSD") rate for residential properties from 3% to 4%.

In December 2011, the Singapore government introduced the ABSD, which was further enhanced in January 2013 and again in July 2018. ABSD ranging from 5% to 20% is to be paid by certain groups of individuals who buy or acquire residential properties (including residential land). Entities buying residential property (including developers) are subject to ABSD of 25% and developers are subject to an additional 5% which is non-remittable and to be paid upfront upon purchase of the residential property. 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 which may be more stringent compared to certain Qualifying Certificate conditions. If such conditions are not met by the Group, ABSD with interest will be payable and this could have a material adverse effect on the Group's business, results of operations and financial condition.

The loan-to-value limits on housing loans granted by financial institutions were also tightened for individuals, 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 was also raised. In June 2013, the MAS 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%. In March 2017, the Singapore government announced that the TDSR framework will no longer apply to mortgage equity withdrawal loans with loan-to-value ratios of 50% and below. In April 2020, the Singapore government further clarified that the TDSR framework will not apply to deferment of mortgage repayments (for residential, commercial, or industrial properties), refinancing of owner-occupied residential mortgages, and unsecured credit facilities such as credit cards and personal loans. In addition, SME borrowers applying for payment deferments on their secured property loans as well as businesses that take up mortgage equity withdrawal loans secured on residential or non-residential properties are also not subject to the TDSR framework.

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

Higher interest rates, general government tightening of financing rules and regulations and the lack of access to financing may have a significant impact on the demand for the Group's residential property developments

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 may lead to a decrease in the demand for residential sites. Any downturn in the economy or drop in consumer confidence may result in reduced housing demand, which could negatively impact the demand for the residential property that the Group has under development and negatively affect its business, financial condition, results of operations and prospects.

In addition, there have been several rounds of tightening in the home loan financing regulations which impact on the ability of purchasers to obtain financing which in turn may affect the take-up of the Group's residential property developments.

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 bonds 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 may 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.

Certain construction risks may arise during the development or redevelopment of any new or existing properties

Development or redevelopment of new or existing properties entails significant risks, including shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interference, floods and unanticipated cost increases, any of which could give rise to delays or cost overruns. Any significant increase in the price of construction materials, for example, would increase the Group's cost of development.

Difficulties in obtaining any requisite planning approvals, licences, permits, allocations or authorisations from regulatory authorities could also increase the cost of, or delay the construction or opening or operation of, new developments. All of these factors may adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's operating results fluctuate from period to period and the fluctuations make it difficult to predict its future performance

The Group's results of operations have varied significantly in the past and may continue to fluctuate significantly from period to period in the future. The Group's results of operations will be further affected by the demand for any residential properties that it develops going forward and the price at which the Group is able to sell them, as well as by the Group's acquisition and potential redevelopment of commercial properties. See also "*– Risks associated with any asset enhancement works*". It is possible that the Group's results of operations will continue to fluctuate significantly or fluctuate more in the future. The demand for and pricing of the properties are in turn affected to a large extent by the general conditions of the property markets. For Singapore's development properties, the Group currently adopts the percentage of completion method for the recognition of development properties' profits. For development properties sold under deferred payment schemes, revenue is recognised only on completion of the sale of the respective development properties. Therefore, the Group's revenue and profit during any given period will reflect the quantity of properties delivered during that period and will be affected by any peaks or troughs of the Group's property delivery schedule and may not be indicative of the actual demand for the Group's properties or sales achieved during that period. The Group's revenue and profit during any given period will generally reflect property investment decisions made by purchasers of the Group's properties at some time in the past, typically at least in the prior fiscal period. As a result, the Group believes that its operating results for any period will not be necessarily indicative of results that may be expected for any future period.

In addition, the seasonality of the Group's hospitality business may cause fluctuations in its quarterly operating results. Therefore, prospective investors should not rely on the Group's operating results for prior quarters as an indication of the Group's results in any future period. As the Group's revenues may vary from quarter to quarter, its business is difficult to predict and its quarterly results could fall below investor expectations. See also "*– The Group's businesses, financial condition and results of operations may be materially and adversely affected by natural calamities and/or the outbreak of communicable diseases*" for further details of the impact of the COVID-19 pandemic and the consequential economic effects on the Group.

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 having to address such breaches or failures, which may have an adverse effect on its business, financial condition, results of operations and prospects.

The Group's business may be adversely affected by the illiquidity of real estate investments

The Group invests primarily in real estate. This involves a higher level of risk as compared to a portfolio which includes a diverse range of investments. Real estate investments, particularly investments in high value properties such as those in which the Group has invested or may invest in the future, are relatively illiquid. Such illiquidity may affect the Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in the economy, changes to the real estate market or other conditions. For example, the Group may be unable to liquidate its portfolio's assets at short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's results may fluctuate as a result of fair value gains or losses on its investment properties, and/or impairment on its investments in associates, joint ventures and subsidiaries

The Group has previously incurred losses due to the revaluation losses on its investment properties. As the Group expects its costs to increase as it continues to expand its business and operations, it may incur losses in the future. No assurance can be given that the Group will achieve or sustain profitability in the future.

The Group's investment properties are stated at their fair value based on the valuation performed by an independent professional valuer. Gains or losses arising from changes in the fair value of investment properties will be recognised directly in the profit or loss statement for the period in which they arise. The Group's policy is to value its properties at the end of each year. The Group may also value one or more of its properties during a fiscal year to support financing arrangements or otherwise. The fair value of each of the Group's investment properties has in the past fluctuated and may further fluctuate in the future, and the Group's historic results should not be regarded as an indicator of its future fair value gains or losses. The fair value of the Group's investment properties may decrease in the future. Any such decrease in the fair value of the Group's investment properties may reduce its profits, which may have an adverse effect on its business, financial condition, results of operations and prospects.

Certain investments of the Group, such as investments in associates or joint ventures, are subject to impairment losses if the recoverable value is deemed to be lower than the carrying value. An impairment loss is recognised as profit or loss. Should the recoverable value of any investment fall below its carrying value, this may result in an impairment on the Group's investment, and therefore have an adverse effect on the Group's profits and financial results.

The market values of the Group's properties may differ from their appraised values as determined in the valuation reports

The valuations of the Group's properties are based on certain assumptions which are subjective and uncertain and may differ materially from actual measures of the market.

Property valuations generally include a subjective determination of certain factors relating to the relevant property, such as the property's relative market position, financial and competitive strengths

and physical condition. Accordingly, no assurance can be given to prospective investors that the assumptions are accurate measures of the market or that the valuation of each of the Group's properties is accurate. The market value of the Group's properties or any future acquisitions may, therefore, differ from their appraised values. The appraised value of any of the Group's properties or any future acquisitions is not an indication of, and does not guarantee, a sale price at that value at present or in the future. The price at which the Group may sell a property may be lower than the appraised value or the initial acquisition price of that property.

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, and the Group's land may be subject to compulsory acquisition (for example, under the Land Acquisition Act, Chapter 152 of Singapore).

If the compensation awarded pursuant to a compulsory acquisition of the Group's land is lower than its market value, it may 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 may adversely affect the Group's business, financial condition, results of operations and prospects.

Risks relating to the Group's fund management business

The Group ventured into the fund management business through the establishment of OUE H-Trust and OUE C-REIT in 2013 and 2014 respectively (which have since in 2019 merged to form an enlarged OUE C-REIT). Additionally, in 2018, the Company and OUELH acquired a 60.0% and 40.0% stake respectively, in First REIT Management Limited, the manager of First REIT. The value of investments in the Group's fund management business may decrease or increase and the income derived from them may fluctuate. A decrease in such capital values may result in a reduction in the level of income which the Group may derive.

The Group's fund management business is subject to changes in general economic conditions such as fluctuations in the financial and property markets, increases in inflation and changes in investment returns. Adverse effects on the Group resulting from changes to market conditions could include reduced returns on investments. Falls in investment returns could impair the Group's operational capability, including its ability to derive new business. Adverse general movements in the market and consequent reductions in the value of assets under the Group's management may lead to reduced operating profit of the Group.

The Group may face difficulties managing or developing newly-acquired or newly-developed medical real estate, healthcare-related assets or integrated mixed-use developments

The Group diversified its portfolio into the healthcare real estate sector through the acquisition of OUELH in 2017. For newly-acquired medical real estate, healthcare-related assets or integrated mixed-use developments, the Group may face difficulties in renovating, re-building or re-positioning these medical real estate, healthcare-related assets or integrated mixed-use developments that the Group has acquired or for which the Group has assumed management responsibility to meet the operational requirements. The Group may also face difficulties pertaining to the setting up of new operations (including obtaining relevant approvals, licences and permits) relating to newly-developed medical real estate, healthcare-related assets or integrated mixed-use developments. As a result, the Group's business, financial position and results of operations could be adversely affected.

New acquisitions and investments may affect the Group's overall business, financial position and results of operations

As the Group looks for suitable investment opportunities and continues to explore diversification and expansion into new areas of opportunities, the Group is subject to investment risks, which may vary depending on the structure of the investment undertaken. There is no assurance that the Group will be successful in any of its investments or that such investments will generate an adequate return. The

Group may also face considerable reputational and financial risks if these new investments do not meet the expectations of customers in these new market segments.

Any such new investments may adversely impact the Group's overall position, particularly in the initial period following such investment or acquisition.

For example, the Group expanded its portfolio into the healthcare sector through the acquisition of OUELH in 2017. As disclosed by OUELH in its SGXNet announcements, the OUELH Group has been facing a number of challenges, including having been engaged or currently being engaged in material litigation or arbitration proceedings. Please see "*The Guarantor and the Group – General Information – Legal Issues and Proceedings*" for further information.

OUELH had been in a net current liability position over the last few years primarily due to shareholder loans provided by the Guarantor to OUELH. As part of its ongoing initiative to build a sustainable capital structure, OUELH completed a strategic recapitalisation exercise in March 2021 which included the conversion of the existing shareholder loans, and accrued interest thereon, of approximately S\$190 million from the Guarantor into perpetual convertible bonds (convertible to ordinary shares of OUELH at a conversion price of S\$0.07 per share on or after 31 August 2026) issued by OUELH. The shareholder loan conversion has strengthened OUELH's financial position as it significantly reduced its liabilities and increased its share capital.

While the Guarantor intends to work with OUELH towards stabilising OUELH's business and financial position, there may continue to be uncertainties and challenges facing the OUELH Group in the meantime which may in turn affect the Group's overall position.

For the avoidance of doubt, the SGXNet announcements released by OUELH are for reference purposes only and are not incorporated by reference in, and do not form part of this Information Memorandum.

Challenges that affect the healthcare industry may have an impact on the Group's healthcare operations

The Group's healthcare properties and assets may be impacted by the challenges currently facing the healthcare industry. The Group's business, financial position, results of operations and prospects may accordingly be affected by other factors that affect the entire healthcare industry, such as:

- natural calamities and outbreak of communicable diseases, such as the COVID-19 pandemic. See also "*– The Group's businesses, financial condition and results of operations may be materially and adversely affected by natural calamities and/or the outbreak of communicable diseases*" for further details of the impact of the COVID-19 pandemic on the Group;
- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, healthcare;
- general economic and business conditions at local, regional, national and international levels;
- demographic changes;
- an increase in the threat of terrorism or armed conflicts and the occurrence of natural and man-made disasters that affect travel security or the global economy which could reduce the volume of medical travellers;
- improvements in the level of quality of healthcare services in neighbouring countries that may affect the stream of medical travellers coming to the Group's medical facilities;
- changes in the supply distribution chain or other factors that increase the cost of supplies;
- changes in the laws and regulations or the introduction of new applicable laws and regulations governing, among others, the conduct of the Group's healthcare operations, adequacy of medical care, quality of medical facilities, equipment and services and qualifications of healthcare professionals which could result in, among others, more stringent requirements and/or increase in compliance costs;
- stricter regulations governing protection of sensitive or confidential patient information from unauthorised disclosure;
- stricter regulations governing the purchase of medications and pharmaceutical drugs, which are highly regulated; and

- reputational and potential financial risk of healthcare operations at the Group's healthcare properties caused by the independent actions of doctors, including the prices they charge patients for their services.

In particular, the patient volumes and operating income at the Group's healthcare properties are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

- quality and coverage of the public healthcare system;
- reputation and years in operation of the healthcare facilities;
- unemployment levels;
- the cultural and business environment of local communities and in the home countries of medical travellers;
- the number of uninsured and underinsured patients in local communities;
- seasonal cycles of illness; and
- climate and weather conditions.

Any failure by the Group to effectively manage these challenges may have a material adverse effect on the Group's business, financial position, 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.

The Securities may have no established trading market when issued and such a market may never develop. Even if a market for the Securities develops, there can be no assurance as to its liquidity or sustainability and the Securities may trade at a discount to their issue price. 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. Even if there is a secondary market, there can be no assurance that any secondary market activities will be continuous or regular. Value of the Securities may fluctuate for various reasons. This may particularly be 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 may have a more limited secondary market and higher price volatility than conventional debt securities. The lack of liquidity may have a severely adverse effect on the market value of the Securities.

Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities.

Although an application will be made for the listing and quotation of any Securities to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be approved, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. In addition, the market for investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Securities to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

Fluctuation of the market value of the Securities

If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price. If the Securities are trading at a discount, investors may not be able to receive a favourable price for their Securities, and in some circumstances, investors may not be able to sell their Securities at fair market value or at all. Trading prices of the Securities are influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer,

the Guarantor, their respective subsidiaries (if any) and/or associated companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, the Guarantor, their respective subsidiaries (if any) and/or associated companies (if any) generally. Adverse economic developments, in Singapore and countries with significant trade relations with Singapore or in which the Group operates or has business dealings, could have a material adverse effect on the Singapore economy and the results of operations, the financial condition and/or the future prospects of the Issuer, the Guarantor, their respective subsidiaries (if any) and/or associated companies (if any).

Further, recent global financial turmoil and geopolitical risks have resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Securities.

Interest rate risk

An investment in fixed rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of such Securities and 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 or distribution 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 or distribution 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.

Currency risk associated with Securities denominated in foreign currencies

As the Securities may be denominated in currencies other than the currencies which the Group's revenue, costs and capital expenditure are mainly denominated in, the Issuer may be affected by fluctuations of currencies in meeting the payment obligations under Securities denominated in foreign currencies. There can be no assurance that the Issuer will be able to fully hedge the currency risks associated with Securities denominated in foreign currencies.

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 (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities, if any, and (iii) the Investor's Currency equivalent market value of the Securities.

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

The Securities may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by

reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal, distribution or interest (as the case may be) 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 and 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.

The Securities may be subject to optional redemption by the Issuer

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

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.

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Securities linked to or referencing such "benchmarks"

The Programme allows for the issuance of Securities that reference certain interest rates or other types of rates or indices which are deemed to be "benchmarks", including London Interbank Offered Rate ("LIBOR"), Euro Interbank Offered Rate ("EURIBOR"), Swap Offer Rate ("SOR") or Singapore Interbank Offered Rate ("SIBOR"), in particular with respect to certain floating rate Securities where the reference rate may be LIBOR, EURIBOR, SIBOR, SOR or another such benchmark. The Pricing Supplement for the Securities will specify whether LIBOR, EURIBOR, SIBOR, SOR or another such benchmark is applicable.

Interest rates and indices which are deemed to be or used as "benchmarks" are the subject of recent international and national regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to, or referencing, such a benchmark.

Regulation (EU) 2016/1011 (the "EU Benchmarks Regulation") and Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal)

Act 2018 (the “**UK Benchmarks Regulation**”) apply to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union (“**EU**”) and the United Kingdom, respectively. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU or non-UK based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU or UK supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU or non-UK based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on any Securities linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

For example, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has through a series of announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

As the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after the end of 2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it has established a steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average (“**SORA**”). In addition, the Association of Banks in Singapore (“**ABS**”) and the Singapore Foreign Exchange Market Committee (“**SFEMC**”) released a consultation report “Roadmap for Transition of Interest Rate Benchmarks: From SOR to SORA” identifying SORA as the alternative interest rate benchmark to SOR, envisaging a phased transition over two years. On 19 March 2020, the Steering Committee for SOR Transition to SORA (“**SC-STs**”) released its response to feedback received on the consultation report in which the SC-STs noted that overall, there was broad support for the proposed transition roadmap and approach set out in the consultation report. In its response, the SC-STs also outlined its key priorities and updated transition roadmap to achieve a smooth transition from SOR to SORA as the new interest rate benchmark for the SGD cash and derivatives markets. On 29 July 2020, the ABS, SFEMC and SC-STs (together, the “**Committees**”) issued another consultation report titled “SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks” which recommended the discontinuation of SIBOR in three to four years, and a shift to the use of SORA as the main interest rate benchmark for SGD financial markets. On 5 August 2020, MAS announced several key initiatives to support the adoption of SORA, which include issuing SORA-based floating rate notes on a monthly basis starting from 21 August 2020, as well as publishing key statistics involving SORA on a daily basis. As part of the initiatives by MAS, SORA was prescribed as a financial benchmark under the SFA pursuant to the Securities and Futures (Prescribed Financial Benchmark) Regulations 2020, which came into operation on 5 August 2020. On 27 October 2020, SC-STs announced industry timelines to support a coordinated shift away from the use of SOR, and to concurrently accelerate the usage of SORA. Pursuant to SC-STs’s announcement, SOR is set to be discontinued alongside LIBOR discontinuation after end-2021 and the issuance of SOR-linked loans and securities that mature after end-2021 should cease by end-April 2021. On 11 December 2020, the Committees released their responses to feedback received on the consultation report titled “SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks” and also published timelines for the discontinuation of SIBOR by end-2024. In addition, the MAS expanded the mandate of the SC-STs to enable it to oversee the interest rate benchmark transition from SIBOR to SORA.

The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result

in other consequences, in respect of any Securities linked to such benchmark. Such factors may have the following effects on certain benchmarks:

- (i) discourage market participants from continuing to administer or contribute to the benchmark;
- (ii) trigger changes in the rules or methodologies used in the benchmark; or
- (iii) lead to the disappearance of the benchmark.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or they could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to floating rate Securities whose interest or distribution rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for securities based on the same benchmark.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation or any of the international or national reforms in making any investment decision with respect to any Securities linked to or referencing a benchmark.

The Securities and the Guarantee are not secured

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

The payment obligations of the Guarantor under the Senior Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor. The payment obligations of the Guarantor under the Subordinated Guarantee and the Trust Deed constitute direct, unconditional, subordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with any Parity Obligations of the Guarantor.

Accordingly, on a winding-up or insolvency of the Issuer or, as the case may be, the Guarantor at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific asset of the Issuer or, as the case may be, the Guarantor or their respective subsidiaries (if any) and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of the Issuer or the Guarantor, as the case may be, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons or Guarantee, as the case may be, owed to the Securityholders.

Provisions in the Trust Deed and the Conditions may be modified

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

The Conditions also provide that the Trustee may agree, without the consent of the Securityholders or the 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 or proven error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Securityholders as soon as practicable.

The Trustee may request the Securityholders to provide an indemnity, security and/or pre-funding to its satisfaction before taking action on behalf of Securityholders

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 the Securityholders to provide an indemnity, security and/or pre-funding to its satisfaction before it takes action on behalf of the Securityholders. The Trustee shall not be obliged to take any such action if not indemnified, secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity, 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, security and/or pre-funding to it, if doing so will or may result in a breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations. In such circumstances, to the extent permitted by the agreements and the applicable law, it may be for the Securityholders to take such action directly.

Enforcement of remedies

Enforcement of available remedies under the Trust Deed, the Securities, the Coupons and the Talons, could result in delays in recovery of amounts owed to the Securityholders by the Issuer or, failing whom, the Guarantor. There is no assurance that the Trustee would be able to recover all amounts secured upon such enforcement, and funds received may not be sufficient to make all required payments to the Securityholders.

The Issuer's or, failing whom, the Guarantor's ability to comply with its obligation to repay the Securities may be dependent upon the earnings of, and distributions by, the members of the Group and future performance of the Group

There is no assurance that the Issuer and/or the Guarantor will have sufficient cash flow to meet payment obligations under the Securities as and when they fall due, in the event that the Issuer and/or the Guarantor suffers a material deterioration in its financial condition. In such event, the ability of the Issuer and/or the Guarantor to comply with its payment obligations under the Trust Deed and the Securities may be adversely affected.

The Issuer's or, failing whom, the Guarantor's ability to comply with its obligation to repay the Securities may depend on the earnings of the Group and the distribution of funds amongst members of the Group, primarily in the form of dividends. Whether or not the members of the Group can make distributions to the Issuer or, failing whom, the Guarantor depends on distributable earnings, cash flow conditions and restrictions that may be contained in the debt instruments of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that the Issuer receives from its members, which would restrict the Group's ability to fund its business operations and the Issuer's ability to comply with its payment obligations under the Securities.

Further, the ability of the Issuer or, failing whom, the Guarantor to make scheduled principal, distribution or interest payments on its indebtedness, including the Securities, and to fund its growth aspirations, will depend on the Group's future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this section "*Risk Factors*", many of which are beyond the control of the Issuer and the Guarantor. If the Issuer's or, failing whom, the Guarantor's future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Securities, or to fund its other liquidity needs, it may be forced to sell assets, attempt to

restructure or refinance its existing indebtedness. No assurance can be given that the Issuer or the Guarantor would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Performance of contractual obligations by the Issuer may be 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 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 circumstances, be able to fulfil its obligations to the Securityholders and/or the Couponholders.

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

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates may be deposited with or registered in the name of, or in the name of a nominee of, a Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg, CDP and/or such other clearing system, a “**Clearing System**”). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. The relevant Clearing System will maintain records of their direct account holders 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 or, failing whom, the Guarantor, will discharge its payment obligations under the Securities by paying to the Common Depositary, CDP or such other clearing system for distribution to their accountholders, or 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 may act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities and the Global Certificates will not have a direct right under the Global Securities and the Global Certificates to take enforcement action against the Issuer or the Guarantor if a default or an enforcement event occurs under the relevant Securities but must rely upon their rights under the Trust Deed.

Legal investment considerations may restrict certain investments

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

Definitive Securities and Certificates with a denomination that is not an integral multiple of the specified minimum denomination may be illiquid and difficult to trade

Securities issued with denominations of a specified minimum amount and a higher integral multiple of another smaller amount might be traded in amounts in excess of the minimum denomination that are not integral multiples thereof. In such a case, a Securityholder who, because of trading such amounts, holds a principal amount which is less than the minimum denomination will not receive a Definitive Security or Certificate in respect of its holding (should Definitive Securities or Certificates be issued)

and would need to purchase a principal amount of Securities such that it holds an amount equal to or more than the minimum denomination. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities and Certificates will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer and the Guarantor (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

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

The Conditions are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities, which could adversely affect the value of any Securities affected by such judicial decision or change.

Application of Singapore insolvency and related laws to the Issuer and the Guarantor may result in a material adverse effect on the Securityholders

There can be no assurance that the Issuer or the Guarantor will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer or the Guarantor, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

Where the Issuer or the Guarantor is insolvent or close to insolvent and undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer or the Guarantor (as the case may be). It may also be possible that if a company related to the Issuer or the Guarantor proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer or the Guarantor (as the case may be) may also seek a moratorium even if the Issuer or the Guarantor (as the case may be) is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, either with consent of the judicial manager or with court permission. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer or the Guarantor, the need to obtain court permission or (as the case may be) the consent of the judicial manager may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may, notwithstanding a single class of dissenting creditors, approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the “**IRD Act**”) was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, the Securities. However, it may apply to related contracts that are not found to be directly connected with the Securities.

FATCA is particularly complex and its application is uncertain

Whilst the Securities are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that sections 1471 through 1474 of the U.S. Internal Revenue Code

of 1986 (“**FATCA**”) will affect the amount of any payment received by the clearing systems (please refer to the section “*Taxation – Foreign Account Tax Compliance Act*”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax advisers to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Securities are discharged once it has paid the clearing systems or the common depository for the clearing systems (as bearer/registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE SECURITIES AND THE SECURITYHOLDERS IS UNCERTAIN AT THIS TIME. EACH SECURITYHOLDER SHOULD CONSULT ITS OWN TAX ADVISERS TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH SECURITYHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

RISKS RELATING TO THE NOTES

Variable Rate Notes may have a multiplier or other leverage factor

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

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 2023, 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 the conditions for “qualifying debt securities” will be met or 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 or should the required conditions cease to be fulfilled.

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 Conditions of the Perpetual Securities

If Optional Payment (as referred to in the Conditions) 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 may be subject to certain restrictions in relation to the declaration or payment of distributions on its Junior Obligations (as defined in the

Conditions of the Perpetual Securities) and (except on a *pro rata* basis) its Parity Obligations and the redemption and repurchase of its Junior Obligations and (except on a *pro rata* basis) its Parity Obligations in the event that it does not pay a distribution in whole or in part. The 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, subject to compliance with the foregoing restrictions. 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, whether 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 any potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Group's financial condition.

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

The Perpetual Securities are perpetual and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the 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 (as defined in the Conditions), or any time after such Distribution Payment Date, upon the occurrence of certain other events. See "*Terms and Conditions of the Perpetual Securities – Redemption and Purchase*".

The date on which the 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 and the Guarantee

Any scheduled distribution will not be due if, as provided for in the relevant Pricing Supplement, the Issuer elects not to pay all or a part of that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings is limited to circumstances where payment under the Perpetual Securities has become due and the Issuer (failing which, the Guarantor) fails to make the payment when due. The only remedy against the Issuer and/or the Guarantor 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 and/or the Guarantee will be proving in such winding-up and/or claiming in the liquidation of the Issuer and/or the Guarantor in respect of any payment obligations of the Issuer or, as the case may be, the Guarantor arising from the Perpetual Securities and/or the Guarantee.

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

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

securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities and the Subordinated Guarantee are subordinated obligations

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

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

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular Tranche of the Perpetual Securities (the “**Relevant Tranche of the Perpetual Securities**”) will be regarded as “debt securities” by the IRAS for the purposes of the ITA, or whether distribution payments made under each tranche of the Perpetual Securities will be regarded by the IRAS as interest payable on indebtedness for the purposes of the ITA, and whether the tax exemptions or 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 or distribution payments made under the Relevant Tranche of the Perpetual Securities are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of 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.

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 on-lending to the Group (i) to fund general working capital purposes of the Group, (ii) for general corporate funding (including investments and capital expenditures) purposes of the Group and/or (iii) for refinancing the existing borrowings of the Group, unless otherwise specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearing 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.

Settlement of over-the-counter trades in the Securities through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

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

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

Clearing and Settlement under Other Clearing System(s)

For Securities to be cleared through Euroclear, Clearstream, Luxembourg and/or any clearing system other than CDP, the clearance and settlement of such Securities is subject to the satisfaction of, and will be effected in accordance with, the relevant clearing system's documentary requirements, timelines and procedures. In particular, additional steps would have to be taken prior to issuance in order for any Securities to be cleared through Euroclear and Clearstream, Luxembourg.

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 acquire, 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. Holders and prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Arrangers, the Trustee 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 or distribution payments made under any tranche of the Perpetual Securities are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

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.

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

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

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

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

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.

At establishment, the Programme as a whole was arranged by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited, each of which was a Financial Sector Incentive (Bond Market) Company, Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time. With effect from 6 May 2021, CIMB Bank Berhad, Singapore Branch has been appointed, as an arranger and dealer under the Programme. As at the date of this Information Memorandum, CIMB Bank Berhad, Singapore Branch is a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA). Accordingly, any tranche of the Securities (“**Relevant Securities**”) issued or to be issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be qualifying debt securities (“**QDS**”) for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of 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 “**Specified 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; and

- (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 in respect of 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), Specified 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, other than any non-resident who qualifies for the tax exemption as described in paragraph (i) above, 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 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 Specified 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 tenor 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, Specified 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 the 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.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified 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.

Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Relevant Securities without deduction or withholding of tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities

which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

There are no specific laws or regulations which deal with the characterisation of capital gains. The characterisation of the gains arising from a sale of the Securities will depend on the individual facts and circumstances of the holder and relating to that sale of the Securities.

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

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued an e-Tax Guide entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement”.

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

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

4. Estate Duty

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

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (a) any non-U.S. financial institution (a foreign financial institution or FFI (as defined by FATCA)) that does not become a “Participating FFI” by entering into an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (b) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States Account” (a Recalcitrant Holder). Whilst the Securities are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payment made under, or in respect of, the Securities by the Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain beginning with the Issuer and ending with the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an inter-governmental agreement will be unlikely to affect the Securities. The documentation expressly contemplates the possibility that the Securities may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, definitive Securities will only be printed in remote circumstances.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the 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 Arrangers, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer, the Guarantor and/or their respective affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor and/or their respective affiliates in the ordinary course of the Issuer's, the Guarantor's or affiliates' business. The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions (including, without limitation, rebates to private banks as may be 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 Arrangers, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

1. The Securities and the Guarantee have not been and will not be registered under the Securities Act and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will offer and sell, Securities of any Series (a) as part of their distribution at any time and (b) 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, or in the case of a Syndicated Issue, the Lead Manager, by such Dealer (or in the case of a sale of an identifiable tranche of Securities to or through more than one Dealer, by such Dealers with respect to the Securities of an identifiable tranche purchased by or through it, in which case the relevant Paying Agent shall notify each Dealer when all such Dealers have so certified), only in accordance with Rule 903 of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer also agrees that, at or prior to confirmation of sale of Securities, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (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 (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, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act."

Terms used in this paragraph have the meanings given to them by Regulation S.

2. In respect of Securities that are expressed in the applicable Pricing Supplement to be subject to the D Rules, the following applies:
 - (a) Each Dealer agrees that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Securities, except with its affiliates or with the prior written consent of the Issuer; and
 - (b) In addition:
 - (i) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section) (the “**D Rules**”), each Dealer:
 - (I) agrees that during the restricted period it will not offer or sell, Securities to a person who is within the United States or its possessions or to a United States person; and
 - (II) agrees that it will not deliver within the United States or its possessions definitive Securities that are sold during the restricted period;
 - (ii) each Dealer agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
 - (iii) if a Dealer is a United States person, such Dealer agrees that it is acquiring the Securities for purposes of resale in connection with their original issue and if it retains Securities for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury Regulation section); and
 - (iv) with respect to each affiliate that acquires from it Securities for the purpose of offering or selling such Securities during the restricted period, each Dealer either (A) repeats and confirms the agreements contained in sub-paragraphs (i), (ii) and (iii) on its behalf or (B) agrees that it will obtain from such affiliate for the benefit of the Issuer the agreements contained in clauses (i), (ii) and (iii).

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, including the D Rules.

3. In respect of Securities that are expressed in the applicable Pricing Supplement to be subject to the C Rules, the following applies:

Under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section) (the “**C Rules**”), to set out the criteria for “foreign targeted obligations” that are exempt from the excise tax under Section 4701(b)(1)(B) of the Code, Securities in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer agrees that it will not offer, sell or deliver, directly or indirectly, Securities in bearer form within the United States or its possessions in connection with their original issuance. In connection with the original issuance of Securities in bearer form, each Dealer agrees it will not communicate, directly or indirectly, with a prospective purchaser if either of them is within the United States or its possessions, and will not otherwise involve its U.S. office in the offer and sale of Securities in bearer form. 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, including the C Rules and Notice 2012-20.

European Union

Unless the Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer represents and agrees it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**EU MiFID II**”);

- (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or
 - (iii) not a qualified investor as defined in the EU Prospectus Regulation; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), each Dealer agrees it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (A) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 1(4) of the EU Prospectus Regulation in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the EU Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer and the Guarantor have consented in writing to its use for the purpose of that Non-exempt Offer;
- (B) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer of Securities referred to in (B) to (D) above shall require the Issuer, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom

Unless the Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, 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, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”);
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not

qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the applicable Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, 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 made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Securities to the public in the United Kingdom:

- (a) if the Pricing Supplement in relation to the Securities specify that an offer of those Securities may be made other than pursuant to section 86 of the FSMA (a “Public Offer”), following the date of publication of a prospectus in relation to such Securities which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “an offer of Securities to the public” in relation to any Securities means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Securities except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”), other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32 of the Laws of Hong Kong) (the “Companies Ordinance”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the 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 under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been and will not be registered as a prospectus with the MAS 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 other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (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 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the "SFA" is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum, any Pricing Supplement or any other document in connection with the offer or sale of the Securities.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of each of the Directors of the Issuer are set out below:

<u>Name</u>	<u>Position</u>
Mr. Brian Riady	Director
Mr. Chen Yi Chung	Director

2. The name and position of each of the Directors of the Guarantor are set out below:

<u>Name</u>	<u>Position</u>
Dr. Stephen Riady	Executive Chairman and Group Chief Executive Officer
Mr. Christopher James Williams	Deputy Chairman and Non-Executive Non-Independent Director
Mr. Kelvin Lo Kee Wai	Independent Director
Mr. Sin Boon Ann	Lead Independent Director
Mr. Kin Chan	Non-Executive Non-Independent Director
Mr. Brian Riady	Deputy Chief Executive Officer and Executive Director

3. As at the date of this Information Memorandum, no option to subscribe for shares in, or debentures of, the Issuer or the Guarantor has been granted to, or was exercised by, any Director of the Issuer or the Guarantor.

SHARE CAPITAL

4. As at the date of this Information Memorandum, there is only one class of shares in the Issuer, being ordinary shares. The rights and privileges attached to the shares are stated in the Constitution of the Issuer.
5. As at the date of this Information Memorandum, there is only one class of shares in the Guarantor, being the Shares (some of which are held in treasury). The rights and privileges attached to the Shares are stated in the Constitution of the Guarantor.
6. The issued share capital of the Issuer as at the Latest Practicable Date is as follows:

<u>Share Designation</u>	<u>Issued Share Capital</u>	
	<u>Number of Shares</u>	<u>Amount</u>
Ordinary Shares	1	S\$1

7. The issued Share capital of the Guarantor as at the Latest Practicable Date is as follows:

<u>Share Designation</u>	<u>Issued Share Capital</u>	
	<u>Number of Shares</u>	<u>Amount</u>
Ordinary Shares	951,601,860	S\$640,422,135

The 951,601,860 Shares include 72,802,200 treasury shares held by the Guarantor.

8. No shares in, or debentures of, 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, since the date of its incorporation, save for the S\$200,000,000 3.75 per cent. notes due 2022 and the S\$200,000,000 3.55 per cent. notes due 2023 issued by the Issuer under the Programme on 17 April 2017 and 10 November 2017 respectively.
9. No Shares in, or debentures of, the Guarantor 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.

10. No shares in, or debentures of, the Guarantor are under option or agreed conditionally or unconditionally to be put under option and no person has been, or is entitled to be, given an option to subscribe for any shares in, or debentures of, the Guarantor, save in connection with the outstanding 1.50 per cent. convertible bonds due 2023 issued by the Guarantor on 13 April 2018 which are convertible into shares of the Guarantor. As at the Latest Practicable Date, S\$2,250,000 in aggregate principal amount of such convertible bonds are outstanding.

BORROWINGS

11. Save as disclosed in Appendix II of this Information Memorandum, the Group has, as at 31 December 2020, 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

12. The Directors of the Issuer are of the opinion that, after taking into account the present banking facilities, the Issuer will have adequate working capital for its present requirements. The Directors of the Guarantor are of the opinion that, after taking into account the present banking facilities, the Issuer and the Guarantor will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

13. There has been no significant change in the accounting policies of the Guarantor since its audited financial statements for the financial year ended 31 December 2020.

LITIGATION

14. Save as disclosed in the section "*The Guarantor and the Group – General Information – Legal Issues and Proceedings*", the Issuer and the Guarantor are not involved in any litigation or arbitration proceedings or any regulatory investigations relating to claims or amounts which are material in the context of the issue of Securities under the Programme nor, so far as the Issuer and the Guarantor are aware, is any such litigation or arbitration pending or threatened.

MATERIAL ADVERSE CHANGE

15. Save as disclosed in this Information Memorandum, there has been no material adverse change in the financial condition or operations of the Issuer, the Guarantor or the Group taken as a whole since 31 December 2020.

AUDITORS' CONSENT

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

STATEMENT BY DIRECTORS

17. This Information Memorandum has been approved by the Directors of the Issuer and the Directors of the Guarantor and they collectively and individually accept full responsibility for the accuracy of the information given in this Information Memorandum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading in any material respect, and that this Information Memorandum constitutes full and true disclosure of all material facts about the issue of the Securities, the Issuer, the Guarantor and the Group.

DOCUMENTS AVAILABLE FOR INSPECTION

18. Copies of the following documents may be inspected by Securityholders at the registered office of the Guarantor during normal business hours from the date of this Information Memorandum:
 - (a) the Constitution of the Issuer and the Guarantor;

- (b) the Trust Deed and the Agency Agreement; and
- (c) the audited financial statements of the Guarantor and its subsidiaries for the financial year ended 31 December 2020.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

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

**AUDITED FINANCIAL STATEMENTS OF THE GUARANTOR AND ITS SUBSIDIARIES FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The information contained in this Appendix II has been reproduced from the annual report of the Guarantor and its subsidiaries for the financial year ended 31 December 2020 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. The financial statements of the Guarantor and its subsidiaries for the financial year ended 31 December 2020 have been prepared in accordance with the Singapore Financial Reporting Standards (International).



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Independent auditors' report

Members of the Company
OUE Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of OUE Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the statements of financial position of the Group and the Company as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages FS1 to FS125.

In our opinion, the accompanying financial statements of the Group and the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)”) so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



Valuation of investment properties

(Refer to note 21 to the financial statements)

Impairment of property, plant and equipment

(Refer to note 22 to the financial statements)

Risks

The Group has a portfolio of investment properties mainly in Singapore and the People's Republic of China (the "PRC") with a carrying value of \$4.5 billion as at 31 December 2020. Investment properties represent the most significant asset item on the statement of financial position. The Group's accounting policy is to state the investment properties at their fair values, which are based on independent external valuations.

Property, plant and equipment of the Group with a total carrying amount of \$1.7 billion as at 31 December 2020 includes two hotel properties in Singapore and a leasehold property under development in the PRC. These properties, which are stated at cost less accumulated depreciation and accumulated impairment losses, are subject to an annual review to assess whether there is an indication that they may be impaired. Where indicators of impairment are identified, the recoverable amount of the property is estimated based on independent external valuation.

The valuation process involves significant judgement in determining the valuation methods to be used and estimating the underlying assumptions to be applied. The valuations are sensitive to the key assumptions applied and a change in key assumptions could have a significant impact to the valuations.

The valuation reports obtained from the external valuers for certain properties in December 2020 also highlighted that the real estate market have been impacted by the uncertainty that the COVID-19 pandemic has caused, and less certainty and a higher degree of caution should be attached to their valuations than would normally be the case.

Our response

We evaluated the competency and objectivity of the external valuers and made enquiries of the valuers to understand their valuation approach and basis of valuation.

We considered the valuation methods used, which included the discounted cash flow method, capitalisation method, direct comparison method and residual value method, against those applied for similar property types. We also involved our internal valuation specialists for the review of certain properties. We assessed the reasonableness of the key assumptions used in the valuations which included a comparison of the discount rates, terminal yield rates, capitalisation rates, price per square foot/metre and price per hotel room, against historical trends and available industry data, taking into consideration comparability and market factors. In addition, we discussed with management and the external valuers to understand how they have considered the implications of the COVID-19 pandemic and market uncertainty in the valuations.

We also considered the reasonableness of the disclosures in the financial statements.



Our findings

We are satisfied with the competency and objectivity of the external valuers. The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methods and key assumptions used by the valuers were comparable to the methods and key assumptions used for similar property types by other valuers and available industry data. Where the assumptions were outside the expected range, the additional factors considered by the valuers were consistent with other corroborative evidence.

We also found the disclosures in the financial statements to be appropriate in their description of judgement inherent in the key assumptions used in the valuations, including the inter-relationship between the key unobservable inputs and their fair values.

Litigations, claims and other contingencies

(Refer to notes 21(vi)(b) and 37 to the financial statements)

Risk

The Group's subsidiary, OUE Lippo Healthcare Limited ("OUELH") and its subsidiaries ("OUELH Group") was involved in several on-going litigations and claims, and provision relating to legal and related expenses of \$27.6 million was made as at 31 December 2020. There are uncertainties as to the possible outcome of these on-going litigations and claims, and the eventual outcome may be different from current assessment, which can potentially affect the amount of provision made by OUELH Group and the valuation of the investment property under development of \$32.6 million.

Our response

We assessed the reasonableness of management's basis for the provision made in relation to the on-going litigations and claims. We held discussions with management and the external legal counsels engaged by OUELH Group, including their views on the on-going litigations cases. We reviewed relevant correspondences and/or agreements between the parties involved and considered the reasonableness of disclosures in the financial statements. We also obtained confirmation letters from the external legal counsels.

Our findings

We found management's basis for the provision relating to legal and related expenses to be supportable, taking into consideration the legal advices obtained from external legal counsels, latest developments on the litigations and claims, and the possible course of actions to be taken. We found the disclosures in the financial statements are adequate in describing the developments of the on-going litigation and claims.



Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The responsibilities of the directors include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Eng Chin Chin.

A handwritten signature in black ink that reads 'KPMG LLP'.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
30 March 2021

Consolidated statement of comprehensive income
Year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Revenue	4	530,455	930,837
Cost of sales		(296,090)	(596,721)
Gross profit		<u>234,365</u>	<u>334,116</u>
Marketing expenses		(10,312)	(20,675)
Administrative expenses		(77,790)	(140,005)
Other operating expenses		(18,893)	(13,819)
Share of results of equity-accounted investees, net of tax		119,284	170,678
		<u>246,654</u>	<u>330,295</u>
Finance expenses	7	(134,400)	(170,051)
Finance income	8	7,569	12,177
		<u>119,823</u>	<u>172,421</u>
Other (losses)/gains – net	9	(565,096)	197,279
(Loss)/Profit before tax		<u>(445,273)</u>	<u>369,700</u>
Tax credit/(expense)	10	40,489	(47,900)
(Loss)/Profit after tax		<u>(404,784)</u>	<u>321,800</u>
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign operations:			
- currency translation differences		39,458	(19,944)
Share of other comprehensive income of equity-accounted investees:			
- currency translation differences		43,691	(21,932)
- other reserves		3,807	(7,406)
Cash flow hedges:			
- effective portion of changes in fair value of cash flow hedges		(46,004)	(9,898)
- hedging reserve reclassified to profit or loss		20,441	682
		<u>61,393</u>	<u>(58,498)</u>
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Share of other reserves of an equity-accounted investee		–	5,907
Net change in fair value of investments at fair value through other comprehensive income, net of tax		15,924	148,751
		<u>15,924</u>	<u>154,658</u>
Other comprehensive income, net of tax		<u>77,317</u>	<u>96,160</u>
Total comprehensive income for the year		<u>(327,467)</u>	<u>417,960</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of comprehensive income (continued)
Year ended 31 December 2020

	Note	2020	2019
		\$'000	\$'000
(Loss)/Profit attributable to:			
Owners of the Company		(343,383)	255,217
Non-controlling interests		(61,401)	66,583
		(404,784)	321,800
Total comprehensive income attributable to:			
Owners of the Company		(268,778)	362,291
Non-controlling interests		(58,689)	55,669
		(327,467)	417,960
Earnings per share for (loss)/profit attributable to the owners of the Company			
Basic earnings per share (cents)	11	(38.18)	28.31
Diluted earnings per share (cents)	11	(38.18)	26.51

The accompanying notes form an integral part of these financial statements.

Statements of financial position
As at 31 December 2020

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Assets					
Cash and cash equivalents	12	559,527	477,712	302,592	195,805
Trade and other receivables	13	149,308	292,381	1,020,071	1,098,183
Inventories	14	676	1,272	164	269
Other investments	15	60,972	76,755	–	–
Development properties	16	29,024	152,380	–	–
Other assets	17	81,923	64,836	5,912	2,876
Loans to subsidiaries	20	–	–	1,270,473	1,678,156
Assets held for sale	31	1,258,512	100,001	–	–
Current assets		2,139,942	1,165,337	2,599,212	2,975,289
Intangible assets and goodwill	18	30,614	41,658	–	–
Interests in equity-accounted investees	19	1,064,334	921,614	–	–
Investments in subsidiaries	20	–	–	810,503	811,003
Loans to subsidiaries	20	–	–	2,659	227,097
Other investments	15	148,746	134,465	–	–
Other assets	17	4,023	4,178	1,019	1,019
Investment properties	21	4,534,728	6,628,427	–	–
Property, plant and equipment	22	1,700,486	1,827,716	660,666	684,133
Deferred tax assets	23	493	11,105	896	–
Non-current assets		7,483,424	9,569,163	1,475,743	1,723,252
Total assets		9,623,366	10,734,500	4,074,955	4,698,541
Liabilities					
Trade and other payables	24	137,844	203,723	122,095	166,155
Borrowings	25	420,416	1,309,892	–	299,840
Provision	26	33,220	29,661	–	–
Loan from a subsidiary	20	–	–	281,285	283,763
Current tax liabilities		43,898	37,019	6,922	4,547
Deferred income	27	6,374	32,808	3,955	–
Lease liabilities	29	464	518	25,117	21,460
Derivative liabilities	28	9,085	2,751	–	–
Liabilities directly associated with the assets held for sale	31	14,674	–	–	–
Current liabilities		665,975	1,616,372	439,374	775,765
Borrowings	25	3,055,709	2,679,731	194,933	153,607
Deferred income	27	545	1,924	–	–
Deferred tax liabilities	23	148,230	222,517	–	131
Other payables	30	38,293	56,665	16	410
Lease liabilities	29	25,905	25,586	697,013	716,231
Derivative liabilities	28	31,895	14,560	–	–
Non-current liabilities		3,300,577	3,000,983	891,962	870,379
Total liabilities		3,966,552	4,617,355	1,331,336	1,646,144
Net assets		5,656,814	6,117,145	2,743,619	3,052,397

The accompanying notes form an integral part of these financial statements.

Statements of financial position (continued)
As at 31 December 2020

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Equity					
Share capital	32	693,315	693,315	693,315	693,315
Other reserves	33	(192,877)	(250,270)	(187,974)	(166,023)
Accumulated profits	34	3,239,566	3,630,251	2,238,278	2,525,105
Equity attributable to owners of the Company		3,740,004	4,073,296	2,743,619	3,052,397
Non-controlling interests	35	1,916,810	2,043,849	–	–
Total equity		5,656,814	6,117,145	2,743,619	3,052,397

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 31 December 2020

	<u>Attributable to owners of the Company</u>					
	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 January 2020	693,315	(250,270)	3,630,251	4,073,296	2,043,849	6,117,145
Total comprehensive income for the year						
Loss for the year	-	-	(343,383)	(343,383)	(61,401)	(404,784)
Other comprehensive income						
Foreign operations:						
- currency translation differences	-	23,053	-	23,053	16,405	39,458
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	43,691	-	43,691	-	43,691
- other reserves	-	3,807	-	3,807	-	3,807
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	15,924	-	15,924	-	15,924
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	(21,398)	-	(21,398)	(24,606)	(46,004)
- hedging reserve reclassified to profit or loss	-	9,528	-	9,528	10,913	20,441
Total other comprehensive income, net of tax	-	74,605	-	74,605	2,712	77,317
Total comprehensive income for the year	-	74,605	(343,383)	(268,778)	(58,689)	(327,467)

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (continued)
Year ended 31 December 2020

Attributable to owners of the Company

	Note	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Own shares acquired		-	(21,795)	-	(21,795)	-	(21,795)
Redemption of convertible bonds		-	(156)	-	(156)	-	(156)
Dividends paid	36	-	-	(45,031)	(45,031)	(66,054)	(111,085)
Total contributions by and distributions to owners		-	(21,951)	(45,031)	(66,982)	(66,054)	(133,036)
Changes in ownership interests in subsidiaries							
Contribution from non-controlling interests		-	-	-	-	202	202
Changes in ownership interests in subsidiaries without a change in control	43	-	-	2,468	2,468	(2,498)	(30)
Total changes in ownership interests in subsidiaries		-	-	2,468	2,468	(2,296)	172
Total transactions with owners							
Share of reserves of an equity-accounted investee		-	(21,951)	(42,563)	(64,514)	(68,350)	(132,864)
Transfer from asset revaluation reserve to accumulated profits	33	-	(9,028)	9,028	-	-	-
At 31 December 2020		693,315	(192,877)	3,239,566	3,740,004	1,916,810	5,656,814

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 31 December 2020

	<u>Attributable to owners of the Company</u>				
	Share capital	Other reserves	Accumulated profits	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2018, as previously reported	693,315	(186,155)	3,431,245	1,200,802	5,139,207
Effect of adopting SFRS(I) 16	–	–	(67,673)	–	(67,673)
At 1 January 2019, as restated	693,315	(186,155)	3,363,572	1,200,802	5,071,534
Total comprehensive income for the year					
Profit for the year	–	–	255,217	66,583	321,800
Other comprehensive income					
Foreign operations:					
– currency translation differences	–	(14,109)	–	(5,835)	(19,944)
Share of other comprehensive income of equity-accounted investees:					
– currency translation differences	–	(21,932)	–	–	(21,932)
– other reserves	–	(1,499)	–	–	(1,499)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	–	148,751	–	–	148,751
Cash flow hedges:					
– effective portion of changes in fair value of cash flow hedges	–	(4,445)	–	(5,453)	(9,898)
– hedging reserve reclassified to profit or loss	–	308	–	374	682
Total other comprehensive income, net of tax	–	107,074	–	(10,914)	96,160
Total comprehensive income for the year	–	107,074	255,217	55,669	417,960

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (continued)
Year ended 31 December 2020

Attributable to owners of the Company

	Note	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners	36	–	–	(117,197)	(117,197)	(50,789)	(167,986)
Dividends paid		–	–	(117,197)	(117,197)	(50,789)	(167,986)
Total contributions by and distributions to owners							
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries with non-controlling interests		–	–	–	–	795,637	795,637
Changes in ownership interests in a subsidiary without a change in control	43	–	–	(42,530)	(42,530)	42,530	–
Total changes in ownership interests in subsidiaries							
Total transactions with owners							
Transfer from fair value reserve to accumulated profits	15	–	(171,189)	(159,727)	(159,727)	787,378	627,651
At 31 December 2019		693,315	(250,270)	3,630,251	4,073,296	2,043,849	6,117,145

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows
Year ended 31 December 2020

	2020	2019
	\$'000	\$'000
Cash flows from operating activities		
(Loss)/Profit after tax	(404,784)	321,800
Adjustments for:		
Depreciation for property, plant and equipment	48,830	51,078
Amortisation of intangible assets	–	226
Reversal of impairment loss on a development property	(38)	(315)
Net change in fair value of investment properties	435,430	15,797
Net change in fair value of investments designated at fair value through profit or loss	40,867	5,449
Impairment loss on interests in equity-accounted investees	5,573	9,024
Impairment loss on intangible assets and goodwill	11,002	–
Impairment loss on property, plant and equipment	88,732	1,105
Impairment loss on trade and other receivables	2,169	9,462
Inventory written off	319	–
Negative goodwill	–	(857)
Reversal of impairment loss on a loan to an equity-accounted investee	(16,207)	–
Gain on disposal of interests in equity-accounted investees	–	(136,582)
Loss/(Gain) on disposal of property, plant and equipment	391	(1,683)
Gain on derecognition of right-of-use assets and lease liabilities	–	(75,439)
Gain on derecognition of other liabilities	–	(15,461)
Gain on redemption of convertible bonds	(263)	–
Property, plant and equipment written off	7,302	–
Finance expenses	134,400	170,051
Finance income	(7,569)	(12,177)
Share of results of equity-accounted investees, net of tax	(119,284)	(170,678)
Tax (credit)/expense	(40,489)	47,900
	<u>186,381</u>	<u>218,700</u>
Changes in:		
- trade and other receivables and other assets	(9,983)	(21,731)
- inventories	277	(214)
- development properties	123,394	314,433
- trade and other payables and provision	(61,443)	(37,769)
- deferred income	(27,813)	(48,017)
Cash generated from operations	<u>210,813</u>	<u>425,402</u>
Tax paid	(30,070)	(28,803)
Net cash from operating activities	<u>180,743</u>	<u>396,599</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows (continued)
Year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from investing activities			
Acquisition of interests in equity-accounted investees		(25,387)	(352,877)
Acquisition of subsidiaries, net of cash acquired		–	(15,703)
Acquisition of other investments		(59,368)	(125,686)
Additions to property, plant and equipment		(12,684)	(11,403)
Additions to investment properties		(18,650)	(26,102)
Dividends from:			
- equity-accounted investees, net of tax		61,647	61,923
- other investments, net of tax		268	1,101
Interest received		3,801	5,512
Loans to equity-accounted investees		(9,750)	(9,985)
Proceeds from repayment of loans from equity-accounted investees		16,207	3,742
Proceeds from sale of other investments		39,034	370,570
Proceeds from sale of investment properties		591,250	287,094
Proceeds from disposal of interests in equity-accounted investees		100,001	191,361
Proceeds from disposal of property, plant and equipment		188	2,330
Net cash from investing activities		686,557	381,877
Cash flows from financing activities			
Acquisition of non-controlling interests		(30)	–
Contribution from non-controlling interests		202	–
Dividends paid		(111,085)	(167,986)
Finance expense paid	25	(128,673)	(126,009)
Proceeds from borrowings	25	1,906,270	495,884
Repayment of borrowings	25	(2,428,748)	(888,620)
Principal repayment of leases	25	(590)	(22,477)
Repurchase of own shares		(21,795)	–
Changes in pledged deposits		(637)	(30,040)
Net cash used in financing activities		(785,086)	(739,248)
Net increase in cash and cash equivalents		82,214	39,228
Cash and cash equivalents at 1 January		439,437	401,136
Effect of exchange rate fluctuations on cash held		(1,036)	(927)
Cash and cash equivalents at 31 December	12	520,615	439,437

Significant non-cash transaction

On 12 June 2020, the Group acquired a land parcel located in South Jakarta for a total consideration of IDR1,316,250,000,000 (approximately \$132,300,000), of which IDR1,280,718,000,000 (approximately \$128,715,000) was fulfilled by way of utilisation of promissory notes. The remaining consideration was paid in cash (note 13).

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 March 2021.

1 Domicile and activities

OUE Limited (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office is 50 Collyer Quay, #18-01/02, OUE Bayfront, Singapore 049321.

The principal activities of the Company are those of hospitality services, property investment and investment holding. The principal activities of its significant subsidiaries are set out in note 44 to the financial statements.

The consolidated financial statements as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interests in equity-accounted investees.

The Company’s immediate holding company is OUE Realty Pte. Ltd., a company incorporated in Singapore. The ultimate holding company is Lippo ASM Asia Property Limited, a company incorporated in the Cayman Islands.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I”).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following notes:

- Note 21 Classification of investment properties under development

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 18 Impairment testing of intangible assets: key assumptions underlying recoverable amounts
- Note 21 Determination of fair value of investment properties
- Note 22 Determination of recoverable amount of property, plant and equipment
- Note 37 Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for all significant fair value measurement, including Level 3 fair values, where applicable.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of fair value hierarchy as of the end of the reporting period in which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 21 Investment properties
- Note 39 Financial instruments
- Note 42 Acquisition of subsidiaries

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in SFRS(I) Standards*
- *Definition of a Business* (Amendments to SFRS(I) 3)
- *Definition of Material* (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- *Covid-19-Related Rent Concessions* (Amendment to SFRS(I) 16)

Other than the below, the application of these SFRS(I)s, amendments to standards and interpretations does not have a material effect on the financial statements.

Covid-19-Related Rent Concessions (Amendment to SFRS(I) 16)

The Group has early adopted *Covid-19-Related Rent Concessions* (Amendment to SFRS(I) 16) issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequent of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on the Group's retained earnings at 1 January 2020. The details of accounting policies are set out in note 3.6.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note 3.1 (ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest (“NCI”) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation are measured either at fair value or at the NCI’s proportionate share of the recognised amounts of the acquiree’s identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

When the Group loses control over a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, and any related NCI and the other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value at the date that control is lost.

(v) Investments in associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

- (viii) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

- (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an equity investment designated as at fair value through other comprehensive income ("FVOCI");
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

- (ii) Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the dates of the transactions.

Foreign currency differences are recognised in OCI. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in OCI, and are presented in the translation reserve in equity.

3.3 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated annual rates used for the current and comparative years are as follows:

	%
Leasehold improvements	$3\frac{1}{2} - 33\frac{1}{3}$
Freehold premises	2
Plant, machinery and office equipment	$5 - 33\frac{1}{3}$
Furniture and fittings	$10 - 33\frac{1}{3}$
Motor vehicles	10 – 25

Leasehold land and buildings are depreciated evenly over the lease period ranging from 16 years to 64 years. Construction and renovation in progress are not depreciated.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets and goodwill

(i) Goodwill

Goodwill arising from acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, refer to note 3.1(i).

Goodwill is subsequently measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

(ii) Medical distribution licences

Medical distribution licences acquired is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Management rights

Management rights acquired is initially recognised at cost and subsequently measured at cost less accumulated impairment losses, if any. The useful life of the management rights is estimated to be indefinite as management believes there is no foreseeable limit to the period over which management rights is expected to generate net cash inflows for the Group.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(v) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, other than goodwill and intangible assets that have indefinite useful lives, from the date they are available for use. The estimated useful lives for the current and comparative years are as follows:

Medical distribution licences	5 years
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Amortisation methods and useful lives are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Investment properties include properties that are being constructed or developed for future use as investment properties.

Cost includes expenditure that is directly attributable to the acquisition of the investment property (including those under development). The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

Transfers to, or from, investment properties are made where there is a change in intent and use, evidenced by:

- development with a view to sell, for a transfer from investment properties to development properties for sale;
- commencement of leasing activities and/or capital appreciation for a transfer from development properties for sale to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

3.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or if the Group changes its assessment of whether it will exercise the termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in “Property, plant and equipment” and lease liabilities in “Lease liabilities” in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Covid-19 related rent concessions

The Group has applied *Covid-19-Related Rent Concessions* (Amendment to SFRS(I) 16). The Group applied the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group choose not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assess whether there is a lease modification.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group leases out its investment property and has classified these leases as operating leases.

The Group recognises lease payments received from investment property under operating leases as rental income on a straight-line basis over the lease term as part of “revenue”.

3.7 Development properties

Development properties are measured at the lower of cost and net realisable value. Cost includes acquisition costs, development expenditure, and other costs directly attributable to the development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The write-down to net realisable value is presented as allowance for impairment losses.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

3.9 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification, subsequent measurement and gain and losses

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities (i.e. borrowings (excluding convertible and exchangeable bonds) and trade and other payables) are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Pledged deposits are excluded for the purpose of the statement of cash flows. Cash and cash equivalents comprise cash balances and deposits with financial institutions which are subject to an insignificant risk of changes in their fair values.

(vi) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedges directly affected by interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. A similar exception is also provided for a discontinued cash flow hedging relationship.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(vii) Convertible bonds

Convertible bonds that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value are accounted for as compound financial instruments.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured. Interest related to the financial liability is recognised in profit or loss.

When the conversion option is exercised, the carrying amount of the liability and equity components will be transferred to the share capital. When the conversion option lapses, the carrying amount of the equity component will be transferred to accumulated profits.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the convertible bonds at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss.

(viii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12 *Income Taxes*.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which include directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Distribution of non-cash assets to owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed less costs to distribute. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

(ix) Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 *Financial Instruments* and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers*.

Expected credit losses (“ECLs”) are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

3.10 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Associates and joint ventures

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.11(iii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

(iii) Non-financial assets

The carrying amount of the Group's non-financial assets, other than investment properties, inventories, development properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

3.11 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets, deferred tax assets and investment properties, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale.

3.12 Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by the employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Provision for income support

A provision for income support is recognised when the Group enters into a contractual arrangement to make top-up payments for any shortfall of guaranteed rental amounts in respect of property disposed. The provision is measured at the present value of the payments expected to be made under the income support arrangement.

(ii) Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met.

3.14 Revenue recognition

(i) Goods and services sold

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (“PO”) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

(ii) Rental income

Rental income from operating leases on investment properties is recognised in profit or loss on a straight-line basis over the lease term. Contingent rentals are recognised as income in the accounting period in which they are earned. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. The carrying amount of the lease incentives is reflected in the fair value of investment properties.

(iii) Hospitality revenue

Revenue from the rental of hotel rooms and other hotel facilities is recognised at the point when the services are rendered to the customer. Revenue from the sale of food and beverage is recognised at the point when the goods are delivered.

(iv) Development properties for sale

The Group develops and sells residential development projects to customers through fixed-price contracts. Revenue is recognised when the control over a development property has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the residential project over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Where a development property has no alternative use for the Group due to contractual restriction, and the Group has enforceable rights to payment for performance completed to date arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the construction of the development property. The measure of progress is determined based on the stage of completion of construction certified by quantity surveyors. Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress and instead are expensed as incurred.

In respect of contracts where the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised only when the completed property is delivered to the customer and the customer has accepted it in accordance with the sales contract.

Revenue is measured at the transaction price agreed under the contract entered into with customers. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced based on a payment schedule which is typically triggered upon achievement of specified construction milestones. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

(v) Property and fund management fee

Property management and fund administrative services are provided as a series of distinct goods or services that are substantially the same and transferred over time, either separately or in combination as an integrated offering, and are treated as a single PO. Accordingly the property and fund management fee from property management and fund administrative services is recognised as the service is performed over time.

(vi) Foods and beverages income

Revenue is recognised at a point in time following the timing of satisfaction of the PO, when food and beverages are delivered to customers. Revenue exclude service charges, goods and services taxes or other sales taxes and is arrived at after deductions of any discounts.

(vii) Healthcare income

i) Rental income

Revenue from rental income from operating leases (net of any incentives given to the lessees) derived from nursing facilities is recognised on a straight-line basis over the lease term.

ii) Rendering services

Revenue from hospital and other healthcare services is recognised at the point when the services are rendered.

iii) Sale of medicine and medical equipment

Revenue from the sale of medicine and medical equipment is recognised at the point when the medicine and medical equipment are delivered to customers.

(viii) Dividend income

Dividend income is recognised in profit or loss when the right to receive payment is established.

3.15 Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss net of the related expenses on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.16 Finance expenses and finance income

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- foreign currency gain or loss on financial assets and financial liabilities;
- hedge ineffectiveness recognised in profit or loss;
- derivative gains or losses; and
- the reclassification of net gains and losses previously recognised in OCI on cash flow hedges of interest rate risk for borrowings.

Interest income or expense is recognised using the effective interest rate method. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

3.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. In all other cases, the amount of deferred tax is measured based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.18 Dividends to the Company's shareholders

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders.

3.19 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the executive committee whose members are responsible for making decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the executive committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), corporate expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and additions to investment properties.

3.21 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 January 2020.

- SFRS(I) 17 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to SFRS(I) 1-1)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 1-10 and SFRS(I) 1-28)
- *Reference to the Conceptual Framework* (Amendments to SFRS(I) 3)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to SFRS(I) 1-16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to SFRS(I) 1-37)
- Annual Improvements to SFRS(I)s 2018 – 2020

The Group is in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I) on the financial statements.

4 Revenue

	Group	
	2020	2019
	\$'000	\$'000
Investment properties income	264,777	287,607
Hospitality income	85,497	241,205
Development properties income	140,176	349,611
Healthcare income	29,437	30,993
Consumer income	10,329	20,983
Others	239	438
	530,455	930,837

In the following table, revenue is disaggregated by timing of revenue recognition.

Timing of revenue recognition for products and services transferred*:

	2020		2019	
	At a point in time	Over time	At a point in time	Over time
	\$'000	\$'000	\$'000	\$'000
Investment properties income	–	712	–	1,628
Hospitality income	85,497	–	241,205	–
Development properties income	140,176	–	349,611	–
Healthcare income	2,498	9,413	2,666	11,344
Consumer income	10,329	–	20,983	–
Others	239	–	438	–
	238,739	10,125	614,903	12,972

* Excluding rental income

Included in the Group's rental income is variable rent recognised of \$962,000 (2019: \$1,531,000). During the financial year, the Group has provided a total of \$19,887,000 COVID-19 pandemic relief measures as part of its tenant support measures via rental rebates and assistance schemes for eligible tenants affected during the period.

5 Expenses by nature

	Note	Group	
		2020 \$'000	2019 \$'000
Advertising and promotion expense		5,049	11,360
Amortisation of intangible assets	18	–	226
Bad debts written off		648	9
Impairment loss on trade and other receivables	39	2,169	9,462
Inventory written off		319	–
Depreciation of property, plant and equipment	22	48,830	51,078
Development costs included in cost of sales		121,192	331,782
Employee benefits	6	62,020	107,578
Loss/(Gain) on disposal of property, plant and equipment		391	(1,683)
Property, plant and equipment written off		7,302	–
Hospitality supplies and services		20,843	47,172
Healthcare supplies and services		1,869	2,563
Operating lease expense		2,422	16,574
Professional and legal services		14,633	32,266
Property tax		30,114	33,584
Repair and maintenance expense		39,794	54,594
Utility charges		11,405	15,580
Others		34,085	59,075
Total cost of sales, marketing, administrative and other operating expenses*		<u>403,085</u>	<u>771,220</u>

* Included the government grants relating to wage subsidies under the Jobs Support Scheme and net grant income arising from property tax rebate (see note 27).

6 Employee benefits

	Group	
	2020 \$'000	2019 \$'000
Salaries, bonuses and other costs	55,352	98,113
Contributions to defined contribution plans	6,668	9,465
	<u>62,020</u>	<u>107,578</u>

7 Finance expenses

	Group	
	2020	2019
	\$'000	\$'000
Interest expense	110,076	127,500
Amortisation of transaction costs	12,800	11,769
Borrowing costs	122,876	139,269
Net foreign exchange loss	9,245	6,629
Unwinding of discount of non-current rental deposits	166	165
Finance expenses on lease liabilities	890	23,541
Hedging reserve reclassified from equity	341	447
Net change in fair value of financial derivatives	882	–
	134,400	170,051

The above finance expenses include interest expense in respect of liabilities not at fair value through profit or loss of \$100,446,000 (2019: \$135,975,000).

8 Finance income

	Group	
	2020	2019
	\$'000	\$'000
Interest income:		
- bank deposits	3,246	4,586
- investments in debt securities	350	952
- loans to associates	–	774
- loan to a related company	544	143
	4,140	6,455
Ineffective portion of changes in fair value of cash flow hedges	3,161	2,726
Net change in fair value of financial derivatives	–	1,895
Others	268	1,101
	7,569	12,177

The above finance income includes interest income in respect of assets not at fair value through profit or loss of \$4,140,000 (2019: \$6,455,000).

9 Other (losses)/gains - net

	Note	Group	
		2020 \$'000	2019 \$'000
Reversal of impairment loss on a development property	16(a)	38	315
Reversal of impairment loss on a loan to an equity-accounted investee	19	16,207	–
Net change in fair value of investment properties	21	(435,430)	(15,797)
Net change in fair value of investments designated at FVTPL		(40,867)	(5,449)
Gain on disposal of interests in equity-accounted investees	19	–	136,582
Gain on derecognition of right-of-use assets and lease liabilities	22	–	75,439
Gain on derecognition of other liabilities	22	–	15,461
Gain on redemption of convertible bonds		263	–
Impairment loss on interests in equity-accounted investees		(5,573)	(9,024)
Impairment loss on intangible assets and goodwill	18	(11,002)	–
Impairment loss on property, plant and equipment	22	(88,732)	(1,105)
Negative goodwill	42	–	857
		<u>(565,096)</u>	<u>197,279</u>

10 Tax (credit)/expense

	Group	
	2020 \$'000	2019 \$'000
<i>Tax recognised in profit or loss</i>		
Current tax expense		
Current year	18,065	24,486
Underprovision in respect of prior years	1,886	2,096
	<u>19,951</u>	<u>26,582</u>
Withholding tax	12,407	1,883
Deferred tax expense		
Origination and reversal of temporary differences	(68,830)	20,657
Overprovision in respect of prior years	(4,017)	(1,222)
	<u>(72,847)</u>	<u>19,435</u>
	<u>(40,489)</u>	<u>47,900</u>

	Group	
	2020	2019
	\$'000	\$'000
Reconciliation of effective tax rate		
(Loss)/Profit before tax	(445,273)	369,700
Less:		
Share of results of equity-accounted investees, net of tax	(119,284)	(170,678)
	<u>(564,557)</u>	<u>199,022</u>
Tax using the Singapore tax rate of 17% (2019: 17%)	(95,975)	33,834
Effect of tax rates in foreign jurisdictions	(33,088)	5,655
Non-deductible expenses	62,293	39,344
Income not subject to tax	(20,491)	(55,180)
Effect of taxable distribution from subsidiaries and associates	9,313	11,781
Singapore statutory stepped income exemption	(213)	(204)
Utilisation of previously unrecognised deferred tax assets	–	(147)
Current tax losses for which no deferred tax assets are recognised	14,106	15,559
Change in unrecognised deductible temporary differences	(5,265)	(7,868)
Effect of tax losses not available for carry forward	18,555	2,369
(Over)/Underprovision in respect of prior years	(2,131)	874
Withholding tax	12,407	1,883
Tax (credit)/expense	<u>(40,489)</u>	<u>47,900</u>

11 Earnings per share

The calculation of basic earnings per share was based on the following (loss)/profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, adjusted for own shares held.

	Group	
	2020	2019
	\$'000	\$'000
(Loss)/Profit attributable to owners of the Company	<u>(343,383)</u>	<u>255,217</u>
Weighted average number of ordinary shares		
	Group	
	2020	2019
	'000	'000
Issued ordinary shares at 1 January	901,516	901,516
Effect of own shares held	(2,196)	–
Weighted average number of ordinary shares during the year	<u>899,320</u>	<u>901,516</u>
Basic earnings per share (cents per share)	<u>(38.18)</u>	<u>28.31</u>

The calculation of diluted earnings per share was based on the following (loss)/profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for own shares held and the effects of all dilutive potential ordinary shares.

(Loss)/Profit attributable to owners of the Company (diluted)

	Group	
	2020	2019
	\$'000	\$'000
(Loss)/Profit attributable to owners of the Company (basic)	(343,383)	255,217
Interest expense on convertible bonds	–	6,827
Unamortised transaction costs	–	(2,303)
Reversal of deferred tax liabilities on convertible bonds	–	440
(Loss)/Profit attributable to owners of the Company (diluted)	(343,383)	260,181

The financial impact of the convertible bonds was excluded from the calculation of the loss attributable to owners of the Company (diluted) for the year ended 31 December 2020 as their effect would have been anti-dilutive.

Weighted average number of ordinary shares (diluted)

	Group	
	2020	2019
	'000	'000
Weighted average number of ordinary shares (basic)	899,320	901,516
Effect of conversion of convertible bonds	–	79,970
Weighted average number of ordinary shares (diluted) during the year	899,320	981,486
Diluted earnings per share (cents per share)	(38.18)	26.51

12 Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	374,011	360,207	201,803	155,805
Time deposits with financial institutions	185,516	117,505	100,789	40,000
	559,527	477,712	302,592	195,805
Deposits pledged	(38,912)	(38,275)		
Cash and cash equivalents in the statement of cash flows	520,615	439,437		

Deposits pledged relate to bank balances of subsidiaries pledged as security to obtain credit facilities (note 25).

Bank balances of \$23,684,000 (2019: \$15,237,000) are included as part of the floating charge for borrowings of the Group (note 25). This amount is included as part of cash and cash equivalents as the utilisation of these bank balances is not restricted.

13 Trade and other receivables

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables:					
- Associates		8	2,678	8	–
- Subsidiaries		–	–	38,359	32,864
- Third parties		32,405	28,257	3,178	4,854
Trade receivables		32,413	30,935	41,545	37,718
Less: impairment loss					
- Third parties		(2,953)	(822)	(1,189)	(773)
Trade receivables - net		29,460	30,113	40,356	36,945
Promissory notes	(i)	115,769	226,882	–	–
Non-trade receivables:					
- Subsidiaries		–	–	1,021,209	1,067,938
- Third parties	(ii)	4,079	35,386	–	–
Non-trade receivables		119,848	262,268	1,021,209	1,067,938
Less: impairment loss					
- Subsidiaries		–	–	(41,494)	(6,700)
Non-trade receivables - net		119,848	262,268	979,715	1,061,238
		149,308	292,381	1,020,071	1,098,183

The non-trade receivables due from subsidiaries and third parties are unsecured, interest-free and repayable on demand. Apart from the impairment loss on receivables from third parties and subsidiaries, there is no impairment loss on the other outstanding balances as the ECLs are not material.

The Company has non-trade receivables from its subsidiaries of \$1,021,209,000 (2019: \$1,067,938,000). These balances are amounts lent to subsidiaries to satisfy short term funding requirements. The Company uses a similar approach for assessment of ECLs for these receivables to those used for debt investments. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, the impairment on these balances has been measured on the 12 month ECLs basis. The impairment loss amounted to \$41,494,000 (2019: \$6,700,000) as at 31 December 2020.

The exposure of the Group and Company to credit risk, market risk and impairment loss for trade and other receivables, are disclosed in note 39.

(i) Promissory notes

In September 2018, the Group had through its wholly-owned subsidiary, PT OUE Pengembangan Properti entered into a conditional land sales and purchase agreement to acquire a land parcel located in South Jakarta for a total consideration of IDR1,629,288,000,000 (approximately \$163,700,000) with settlement by way of utilisation of a portion of the promissory notes.

The aggregate consideration payable had been varied from IDR1,629,288,000,000 (approximately \$163,700,000) to IDR1,316,250,000,000 (approximately \$132,300,000), of which IDR1,280,718,000,000 (approximately \$128,715,000) was fulfilled by way of utilisation of promissory notes. The remaining consideration was paid in cash. The transaction was completed on 12 June 2020.

The remaining balance of the promissory notes of IDR1,193,028,000,000 (approximately \$115,769,000) is expected to be utilised by way of acquisition of additional lands or properties.

(ii) Non-trade receivables from third parties

Non-trade receivables from third parties as at 31 December 2020 includes the amounts due from the Crest entities (2019: deconsolidated subsidiaries of OUE Lippo Healthcare Limited (“OUELH”)) amounting to \$4,068,000 (2019: \$33,293,000).

Crest entities refers to those subsidiaries (IHC Management Pte. Ltd., IHC Management (Australia) Pty Ltd, IHC Medical RE Pte. Ltd., IHC Healthcare REIT, IHC Australia First Trust and IHC Australia Second Trust) that were derecognised by OUELH in August 2016 as these entities were placed under receivership. In 2019, those subsidiaries were referred to as deconsolidated subsidiaries of OUELH. During the year, OUELH had regained control over these entities and recovered part of the receivables (see note 37(a)).

14 Inventories

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Food and beverage	457	946	164	269
Pharmacy supplies	203	317	–	–
Medical and surgical supplies	16	9	–	–
	676	1,272	164	269

The cost of inventories recognised as expense and included in “Cost of sales” amounted to \$10,387,000 (2019: \$20,250,000).

15 Other investments

	Note	Group	
		2020 \$'000	2019 \$'000
Current			
Financial assets designated at FVTPL:			
- Equity investments - quoted		18,730	32,526
- Mutual funds		42,242	44,229
		60,972	76,755
Non-current			
Financial assets designated at amortised cost:			
- Debt investments	(i)	18,018	33,294
Financial assets designated at FVOCI:			
- Equity investments:	(ii)		
- Quoted		33,196	35,539
- Unquoted		10,893	11,241
- Interests in limited partnerships		86,639	54,391
		148,746	134,465

- (i) The debt investments at amortised costs are denominated in Singapore Dollar and Indonesian Rupiah, and mature in 2022 and 2023 (2019: 2022 and 2023). The debt investments denominated in Singapore Dollar bear interest at 2.67% (2019: 4.23%) per annum.

In prior years, the Group had through its wholly-owned subsidiary, Tenggara Holdings Pte. Ltd. (“THPL”), entered into an IDR138,800,000,000 (approximately \$13,047,000) (2019: approximately \$13,464,000) unquoted exchangeable bonds subscription agreement with a third party (the “Bond Issuer”).

On 1 October 2019, THPL entered into a conditional exchangeable settlement agreement to redeem the exchangeable bonds. At the same time, the Group had also through its wholly-owned subsidiary, PT Deer Pine Indonesia, entered into a conditional land sale and purchase agreement with a subsidiary of the Bond Issuer, to acquire a land parcel located in Lampung, Indonesia for a total consideration of IDR157,214,000,000 (approximately \$15,250,000), with settlement by way of cash payment and issuance of promissory notes. The exchangeable bonds will be redeemed in full by way of utilisation of these promissory notes. Both transactions are expected to take place when the conditions precedents are fulfilled.

- (ii) These are investments that the Group intends to hold for the long-term for strategic purposes.

In 2019, the Group and the Company disposed some of the equity investments and the relevant net fair value gains accumulated in fair value reserves, which amounted to \$171,189,000 and \$170,000,000 respectively, were transferred to accumulated profits upon derecognition (note 33).

The exposure of the Group to credit risk, market risk and fair value measurement, are disclosed in note 39.

16 Development properties

	Note	Group 2020 \$'000	Group 2019 \$'000
<i>Completed property held for sale</i>			
Completed property		32,111	156,329
Less: Impairment loss	(a)	(3,087)	(3,949)
		29,024	152,380

The movement in allowance for impairment in respect of the development property is as follows:

	Note	Group 2020 \$'000	Group 2019 \$'000
At 1 January		3,949	9,983
Reversal of impairment loss	9	(38)	(315)
Utilised		(824)	(5,719)
At 31 December		3,087	3,949

- (a) An impairment loss of \$38,000 (2019: \$315,000) was reversed following the sale of certain units at prices higher than their carrying amounts.

(b) Details of the development property are as follows:

Description and location	Purpose of development	Group's effective interest		Approximate site area (square metre)	Approximate gross floor area (square metre)
		2020 %	2019 %		
OUE Twin Peaks A 462-unit leasehold residential project at Leonie Hill, Singapore	Condominium	100	100	12,163	40,521*

* Includes balcony

Measurement of net realisable values of development property

The Group estimates the net realisable values of the development property by reference to recent selling prices for units in the development project or comparable projects, market conditions, expected selling expenses and the development expenditure incurred. Market conditions may, however, change which may affect the future selling prices of the remaining unsold units of the development property and accordingly, the carrying value of development property for sale may have to be written down in future periods.

17 Other assets

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Sundry receivables	33,885	34,973	1,903	1,912
Less: impairment loss	(9,456)	(9,457)	—	—
	24,429	25,516	1,903	1,912
Grant receivables	4,312	—	3,156	—
Rental deposits:				
- Subsidiaries	—	—	1,019	1,019
Loan to a related company	10,000	10,000	—	—
Other deposits	17,380	24,484	127	191
	56,121	60,000	6,205	3,122
Prepayments	29,825	9,014	726	773
	85,946	69,014	6,931	3,895
Current	81,923	64,836	5,912	2,876
Non-current	4,023	4,178	1,019	1,019
	85,946	69,014	6,931	3,895

The loan to a related company is unsecured, bears interest rate at 5.44% per annum (2019: 5.44% per annum) and is repayable in March 2021 (2019: March 2020).

In 2019, other deposits included a 10% refundable deposit paid for the land acquisition located in South Jakarta of IDR162,928,800,000 (approximately \$15,804,000) through the utilisation of promissory notes (note 13).

The exposure of the Group and the Company to credit and market risks, and impairment loss for other assets, are disclosed in note 39.

18 Intangible assets and goodwill

	Note	Goodwill \$'000	Medical distribution licences \$'000	Intangible asset \$'000	Total \$'000
Group					
Cost					
At 1 January 2020		24,009	607	36,808	61,424
Effect of movements in exchange rates		(42)	32	–	(10)
At 31 December 2020		23,967	639	36,808	61,414
Accumulated amortisation and impairment losses					
At 1 January 2020		19,159	607	–	19,766
Impairment loss	9	1,804	–	9,198	11,002
Effect of movements in exchange rates		–	32	–	32
At 31 December 2020		20,963	639	9,198	30,800
Cost					
At 1 January 2019		22,240	627	35,776	58,643
Acquisition of subsidiaries		1,804	–	1,032	2,836
Effect of movements in exchange rates		(35)	(20)	–	(55)
At 31 December 2019		24,009	607	36,808	61,424
Accumulated amortisation and impairment losses					
At 1 January 2019		19,159	398	–	19,557
Amortisation	5	–	226	–	226
Effect of movements in exchange rates		–	(17)	–	(17)
At 31 December 2019		19,159	607	–	19,766
Carrying amounts					
At 31 December 2019		4,850	–	36,808	41,658
At 31 December 2020		3,004	–	27,610	30,614

Amortisation

In 2019, the medical distribution licenses were fully amortised. The amortisation was allocated to the cost of inventory and is included in “Cost of sales” as inventory was sold.

Impairment test for intangible asset

Intangible asset comprises management rights acquired. The recoverable amount of the management rights is determined based on value-in-use calculation using a cash flow projection from the provision of asset management services. The key assumptions used in the estimation of the recoverable amount are set out below. The value assigned to the key assumptions represent management’s assessment of future trends and have been based on historical data derived from both external and internal sources.

	2020	2019
	%	%
Key assumptions used for value-in-use calculations:		
Discount rate	14.5	18.6
Budgeted earnings before interest and tax growth rate (average of next five years)	1.4	(4.6)

The discount rate was a pre-tax measure based on the historical industry average weighted-average cost of capital, with a possible debt leveraging of 35.4% (2019: 44.0%) at a market interest rate of 5.3% (2019: 5.3%). The cash flow projection included specific estimates for five years and a terminal growth rate thereafter.

During the year, an impairment loss of \$9,198,000 (2019: \$nil) was recognised to write down the carrying amount of the intangible asset to its estimated recoverable amount of \$27,610,000. Any adverse movement in a key assumption would lead to further impairment.

19 Interests in equity-accounted investees

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Interests in associates	996,290	884,306	–	44,947
Interests in joint ventures	52,050	26,805	–	–
Less: Impairment loss	(4,135)	–	–	(44,947)
	1,044,205	911,111	–	–
Loans to associates and joint ventures	20,129	42,324	–	31,821
Less: Impairment loss	–	(31,821)	–	(31,821)
	20,129	10,503	–	–
	1,064,334	921,614	–	–

Details of the significant equity-accounted investees are included in note 44.

An associated company is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

The loans to associates and joint ventures are interest-free, unsecured and have no fixed terms of repayment. The settlement of these loans is neither planned nor likely to occur in the foreseeable future and hence the loans are classified as non-current.

Movement in the impairment loss for loans to associates and joint ventures is as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At 1 January	31,821	31,957	31,821	33,159
Write-back (note 9)	(16,207)	–	(16,207)	(1,185)
Utilised	(15,331)	–	(15,331)	–
Currency translation differences	(283)	(136)	(283)	(153)
At 31 December	<u>–</u>	<u>31,821</u>	<u>–</u>	<u>31,821</u>

Associates

As at 31 December 2020, the Group has one (2019: one) associate that is material and a number of associates that are individually immaterial to the Group. All are equity accounted.

	Gemdale Properties and Investment Corporation Limited ("GPI")
Nature of business	Property development, property investment, and property management
Principal place of business/Country of incorporation	Hong Kong/Bermuda
Ownership interest/voting rights held	
- 2020	23.0%
- 2019	23.8%
Fair value of ownership interest (if listed)	
- 2020	\$721.3 million ⁽¹⁾
- 2019	\$678.7 million ⁽¹⁾

⁽¹⁾ Based on quoted market price at 31 December (Level 1 in the fair value hierarchy).

GPI was considered to be an associate of the Group in May 2019 when the Group's equity interests in GPI increased from 14.8% to 21.8%.

Provisional negative goodwill of HK\$25,607,000 (approximately \$4,492,000) was included in the share of results of equity-accounted investees, net of tax, arising from the acquisition of additional equity interest in GPI in 2019. The purchase price allocation ("PPA") exercise was finalised in the current year and a reversal of negative goodwill of \$2,095,000 was recognised in the share of results of equity-accounted investees, net of tax.

As at 31 December 2020, the Group's share of its associate's contingent liabilities and capital commitments amounted to \$176,453,000 and \$630,940,000 (2019: \$95,107,000 and \$563,195,000) respectively.

The following summarises the financial information of the Group's material associate, based on its consolidated financial statements prepared in accordance with SFRS(I)s, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

Summarised statement of comprehensive income

	GPI	
	2020	2019
	\$'000	\$'000
Revenue	3,272,497	2,312,725
Profit after tax	969,387	889,471
Other comprehensive income	48,857	(412)
Total comprehensive income	<u>1,018,244</u>	<u>889,059</u>
Dividends received	<u>53,258</u>	<u>18,841</u>

Summarised statement of financial position

	GPI	
	2020	2019
	\$'000	\$'000
Non-current assets	7,780,329	6,114,122
Current assets ⁽¹⁾	5,332,965	6,102,887
Non-current liabilities	(3,878,257)	(1,804,731)
Current liabilities	(4,939,270)	(6,950,913)
Net assets	<u>4,295,767</u>	<u>3,461,365</u>
Attributable to investee's shareholders	3,845,634	2,910,135
Attributable to non-controlling interests ("NCI")	450,133	551,230
Group's share of net assets/carrying amount of investment	<u>879,999</u>	<u>697,058</u>

⁽¹⁾ Includes cash and cash equivalents of \$1,456,098,000 (2019: \$962,097,000).

Immaterial associates

As at 31 December 2020, the Group has interests in a number of individual immaterial associates. The following table summarises, in aggregate, the carrying amount and share of profit/(losses) and other comprehensive income of these associates that are accounted for using the equity method:

	2020	2019
	\$'000	\$'000
Carrying amount of interests in immaterial associates	<u>116,291</u>	<u>187,248</u>
Group's share of:		
- (Loss)/Profit after tax	(69,437)	26,003
- Other comprehensive income	(63)	4,733
- Total comprehensive income	<u>(69,500)</u>	<u>30,736</u>

During the year, the Group completed the disposal of its entire interest in TCB OUE Sdn Bhd. (“TCB OUE”), an immaterial associate, for RM1. As a result, TCB OUE ceased to be an associate of the Group.

In 2019, the Group disposed its entire equity interest in the associates, Aquamarina Hotel Private Limited and Nuvest Capital Pte. Ltd., for a total consideration of \$190,000,000 and \$1,361,000 respectively. A total net gain on disposal of interests in equity-accounted investees of \$136,582,000 was recognised in “Other (losses)/gains – net” (note 9).

Joint ventures

As at 31 December 2020, the Group has five (2019: four) joint ventures that are immaterial to the Group. All are equity accounted for.

The following table summarises, in aggregate, the carrying amount and share of losses and other comprehensive income of these joint ventures that are accounted for using the equity method:

	2020 \$’000	2019 \$’000
Carrying amount of interests in immaterial joint ventures	47,915	26,805
Group’s share of:		
- Loss after tax	(2,887)	(2,418)
- Other comprehensive income	2,621	50
- Total comprehensive income	(266)	(2,368)

20 Investments in subsidiaries and loans to/(from) subsidiaries

	Company	
	2020 \$’000	2019 \$’000
Investments in subsidiaries		
Equity investment at cost	841,503	841,503
Less: Impairment loss	(31,000)	(30,500)
	<u>810,503</u>	<u>811,003</u>
Loans to subsidiaries		
Loans to subsidiaries	1,635,487	2,088,353
Less: Impairment loss	(362,355)	(183,100)
	<u>1,273,132</u>	<u>1,905,253</u>
Current	1,270,473	1,678,156
Non-current	2,659	227,097
	<u>1,273,132</u>	<u>1,905,253</u>

Details of the significant subsidiaries are included in note 44.

The current portion of the loans to subsidiaries are unsecured and repayable on demand. These balances are interest-free except for an amount of \$1,255,444,000 (2019: \$1,253,962,000) for which interest is charged at interest rates ranging from 1.00% to 4.00% (2019: 1.00% to 4.00%) per annum.

The non-current portion of loans to subsidiaries are unsecured and have no fixed terms of repayment. The settlement of these loans is neither planned nor likely to occur in the foreseeable future and hence the loans are classified as non-current. The balances are interest-free, except for an amount of \$2,659,000 (2019: \$107,108,000) for which interest is charged at 5.00% per annum (2019: interest rates ranging from 1.40% over the US LIBOR rate to 5.00% per annum).

During the year, the Company carried out an impairment assessment of its investments in certain subsidiaries and loans to these subsidiaries, following changes in the financial performance of these subsidiaries. The recoverable amounts were estimated by taking into consideration the estimated selling prices of the underlying properties or investments held by the subsidiaries (as the case may be) and the liabilities to be settled. Based on this assessment, the Company recorded an additional impairment loss of \$500,000 (2019: \$30,500,000) on its investments in subsidiaries and additional impairment loss of \$179,255,000 (2019: \$55,723,000) on the loans to its subsidiaries.

The exposure of the Group and the Company to credit and market risks, and impairment loss for loans to subsidiaries, are disclosed in note 39.

	Company	
	2020	2019
	\$'000	\$'000
Loan from a subsidiary		
Loan from a subsidiary	281,285	283,763

The loan from a subsidiary is unsecured, repayable on demand and bears interest at 4.00% (2019: 4.00%) per annum.

21 Investment properties

	Note	Completed investment properties \$'000	Investment properties under development \$'000	Total \$'000
Group				
At 1 January 2020		6,537,190	91,237	6,628,427
Additions		19,318	131,745	151,063
Disposal ⁽¹⁾		(591,250)	–	(591,250)
Net change in fair value	9	(420,099)	(15,331)	(435,430)
Effect of movements in exchange rates		50,575	321	50,896
Lease incentives		(10,466)	–	(10,466)
Reclassified to assets held for sale	31	(1,258,512)	–	(1,258,512)
At 31 December 2020		4,326,756	207,972	4,534,728
At 1 January 2019		6,357,367	93,662	6,451,029
Acquisition of a subsidiary ⁽²⁾		494,067	–	494,067
Additions		11,231	–	11,231
Reversal		(5,570)	–	(5,570)
Disposal ⁽³⁾		(287,094)	–	(287,094)
Net change in fair value	9	(14,612)	(1,185)	(15,797)
Effect of movements in exchange rates		(22,549)	(1,240)	(23,789)
Lease incentives		4,350	–	4,350
At 31 December 2019		6,537,190	91,237	6,628,427

- (1) During the year, the Group disposed U.S. Bank Tower for a consideration of US\$430,000,000 (approximately \$591,250,000).
- (2) Mandarin Gallery was acquired as part of the merger (note 42) between OUE Commercial Real Estate Investment Trust (“OUE C-REIT”) and OUE Hospitality Trust (“OUE H-TRUST”) (the “Merger”).
- (3) In 2019, the Group disposed Oakwood Premier OUE Singapore for a consideration of \$287,094,000.

- (i) The following amounts were recognised in profit or loss:

	Group	
	2020	2019
	\$'000	\$'000
Rental income	264,065	285,979
Direct operating expenses (including repairs and maintenance expense) arising from investment properties that generate rental income	90,076	102,274
	90,076	102,274

- (ii) Security

As at 31 December 2020, investment properties (including OUE Bayfront which is classified as assets held for sale (note 31)) with a total carrying amount of \$2,550,317,000 (2019: \$3,484,503,000) were pledged as security for banking facilities (note 25).

- (iii) The Group’s major completed investment properties as at 31 December 2020 are:

	Description and Location	Tenure of Land
OUE Bayfront (and adjoining properties comprising OUE Tower and OUE Link) ^(a)	An integrated commercial development comprising a 19-storey office building, a conserved tower building and a retail link bridge at Collyer Quay, Singapore.	OUE Bayfront and OUE Tower: 99-year lease from 12 November 2007 OUE Link: 15-year lease from 26 March 2010 Underpass: 99-year lease from 7 January 2002
OUE Downtown (comprising OUE Downtown 1 & 2 and Downtown Gallery)	A 50-storey Tower 1 and a 37-storey Tower 2 linked by a podium and accommodating office space, retail space and car park.	99-year lease from 19 July 1967
Mandarin Gallery	High-end retail mall with 152-metre frontage situated along Orchard Road, Singapore.	99-year lease from 1 July 1957
Lippo Plaza	A 36-storey commercial building with retail podium at Shanghai, The People’s Republic of China (the “PRC”) excluding (i) Unit 2 in Basement 1, (ii) the 12th, 13th, 15th and 16th floors and (iii) 4 car park lots.	50-year land use right commencing from 2 July 1994

	Description and Location	Tenure of Land
One Raffles Place	An integrated commercial development comprising One Raffles Place Tower 1, One Raffles Place Tower 2 and One Raffles Place Shopping Mall.	<p>One Raffles Place Tower 1: 841-year lease from 1 November 1985</p> <p>One Raffles Place Tower 2: 99-year lease from 26 May 1983</p> <p>One Raffles Place Shopping Mall: the retail podium straddles two land plots:</p> <ul style="list-style-type: none"> - Approximately 75% of the net lettable area (“NLA”) of the retail podium is on a 99-year lease from 1 November 1985 - The balance 25% of the NLA of the retail podium is on a 841-year lease from 1 November 1985
OUE Twin Peaks	23 residential units in OUE Twin Peaks at Leonie Hill, Singapore.	99 year lease from 10 May 2010
Hikari Heights Varus Kotoni	A 14-storey nursing home with 281 one- and two-bedded rooms that can accommodate up to 364 residents at Hokkaido, Japan.	Freehold
Hikari Heights Varus Makomanai-Koen	A 10-storey nursing home with 157 rooms that can accommodate up to 196 residents at Hokkaido, Japan.	Freehold
ElySION Mamigaoka & ElySION Mamigaoka Annex	A nursing home with 2 blocks (5-storey and 4-storey) with 160 one- and two-bedded rooms that can accommodate up to 165 residents at Nara, Japan.	Freehold
Varus Cuore Sapporo-Kita/ Varus Cuore Sapporo-Kita Annex	Facility consists of two buildings: a 5-storey with 126 rooms, and a 3-storey with 90 rooms, which can accommodate up to 231 residents in total at Hokkaido, Japan.	Freehold
Hikari Heights Varus Fujino	A nursing home consisting of 2 blocks (9-storey and 13-storey) with 144 rooms in total that can accommodate up to 187 residents at Hokkaido, Japan.	Freehold
ElySION Gakuenmae	A 5-storey nursing home with 92 rooms that can accommodate up to 92 residents at Nara, Japan.	Freehold
Orchard Kaichi North	A 4-storey nursing home with 79 rooms that can accommodate up to 85 residents at Nagano, Japan.	Freehold

	Description and Location	Tenure of Land
Varus Cuore Yamanote	A 4-storey nursing home with 59 rooms that can accommodate up to 60 residents at Hokkaido, Japan.	Freehold
Orchard Amanohashidate	A nursing home consisting of a daycare service centre and 2 blocks (3-storey and 2-storey) with 60 rooms in total that can accommodate up to 60 residents in Kyoto, Japan.	Freehold
Hikari Heights Varus Ishiyama	A 9-storey nursing home with 119 one- and two-bedded rooms that can accommodate up to 149 residents at Hokkaido, Japan.	Freehold
Hikari Heights Varus Tsukisamu-Koen	A 10-storey nursing home with 57 one- and two-bedded rooms that can accommodate up to 73 residents at Hokkaido, Japan.	Freehold
Orchard Kaichi West	A nursing home with 29 rooms that can accommodate up to 29 residents at Nagano, Japan.	Freehold

^(a) Classified as “Assets held for sale” as at 31 December 2020 (note 31).

The Group’s completed investment properties were appraised at the following open market values:

	Date of appraisal	Open Market Value	
		2020 \$’000	2019 \$’000
OUE Bayfront (and adjoining properties comprising OUE Tower and OUE Link)	31 December	– ^(a)	1,181,000
OUE Downtown	31 December	1,130,000	1,182,000
US Bank Tower	31 December	– ^(b)	881,270
Mandarin Gallery	31 December	473,000	493,000
Lippo Plaza	31 December	545,648	570,530
One Raffles Place	31 December	1,799,700	1,862,000
OUE Twin Peaks (comprising 23 units held as investment properties)	31 December	65,890	67,620
Hikari Heights Varus Kotoni	31 December	80,384	75,293
Hikari Heights Varus Makomanai-Koen	31 December	57,178	53,531
ElySION Mamigaoka & ElySION Mamigaoka Annex	31 December	29,978	29,337

	Date of appraisal	Open Market Value	
		2020 \$'000	2019 \$'000
Varus Cuore Sapporo-Kita/Varus Cuore Sapporo-Kita Annex	31 December	35,968	33,641
Hikari Heights Varus Fujino	31 December	19,891	20,113
Elysion Gakuenmae	31 December	19,674	19,555
Orchard Kaichi North	31 December	17,050	17,038
Varus Cuore Yamanote	31 December	13,030	12,735
Orchard Amanohashidate	31 December	11,610	11,916
Hikari Heights Varus Ishiyama	31 December	10,662	11,520
Hikari Heights Varus Tsukisamu-Koen	31 December	8,038	9,263
Orchard Kaichi West	31 December	5,286	5,828
5 Indonesia shophouses	31 December	3,769	–

^(a) Classified as “Assets held for sale” as at 31 December 2020 (note 31).

^(b) Disposed during the year.

The fair value of each investment property at the reporting date is determined by independent professional valuers based on assumptions and estimates that reflect its market value. The independent professional valuers have relied on various widely accepted methodologies to perform the fair value assessments that are reflective of the prevailing market conditions. The valuation methods take into consideration the discount rate, terminal yield rate and capitalisation rate applicable to the nature and type of asset in question, and selling price of comparable properties.

As at 31 December 2020, the valuation reports of certain of the Group’s properties included a “material valuation uncertainty” due to the disruption to the market at that date caused by the COVID-19 outbreak. The external valuers have stated in their valuation reports that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

The investment properties are mainly leased to third parties. The majority of the leases contain an initial non-cancellable period of one to ten (2019: one to fifteen) years. Subsequent renewals are negotiated with the lessees.

- (iv) The Group’s investment properties under development as at 31 December 2020 are:

Description	Unexpired term of leasehold land
Land – South Jakarta, Indonesia	18 years
Land - Wuxi, the PRC (“Wuxi land”)	35 years
Land - Kuala Lumpur, Malaysia	87 years

Classification of investment properties under development

The classification of the land as owner-occupied property or investment property is a matter of judgement, involving consideration of the purpose and usage of the land, and future development plans. Portion of land to be redeveloped for future rental or capital appreciations are held as investment properties under development while portion of land to be redeveloped for own use are held as property, plant and equipment (note 22). The relevant portion of the land continues to be classified as investment properties under development based on management’s assessment of the above factors which is in line with the Group’s existing plans. The classification is primarily based on all prevailing information available to date which imminently may vary depending on the Group’s future intentions and developments.

- (v) Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined annually by independent professional valuers having the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement of all investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

Valuation techniques	Significant unobservable inputs	Country		Inter-relationship between key unobservable inputs and fair value measurement
		Indonesia	Malaysia	
				The PRC
Investment properties under development				
<i>Discounted cash flow method:</i> The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value	Discount rate	Not applicable	Not applicable	15.0% (2019: 15.0%)
	Terminal yield rate	Not applicable	Not applicable	13.0% (2019: 13.0%)
<i>Capitalisation method:</i> The capitalisation method capitalises an income stream into a present value using single-year capitalisation rates	Capitalisation rate	Not applicable	Not applicable	4.3% (2019: 4.3%)
<i>Direct comparison method:</i> The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to those reflective of the investment properties under development	Price per square metre	\$16,685 (2019: Not applicable)	\$11,092 (2019: \$12,475)	Not applicable
<i>Forced sale value:</i> The forced sale value refers to the amount which may reasonably be received from the sale of an asset under forced sale conditions which do not meet all the criteria of a normal market transaction.	Price per square metre	Not applicable	\$8,874 (2019: Not applicable)	Not applicable
<i>Residual value method:</i> The value of the investment properties under development is arrived at by deducting the estimated cost to complete as of valuation date and other relevant costs from the gross development value of the proposed development assuming satisfactory completion and accounting for developer profit	Plot ratio	Not applicable	Not applicable	4.5 (2019: 4.5)
	Entrepreneur profit and risk	Not applicable	Not applicable	20.0% (2019: 20.0%)
	Construction costs per square metre	Not applicable	Not applicable	Wuxi: \$1,412 (2019: \$1,341)

In addition to the above, the valuation of the investment properties under development in Indonesia and the PRC included critical assumptions as follows:

(a) Indonesia

Plot ratio and renewal/extension of the Right To Build (“Hak Guna Bangunan” or the “HGB”) land title certificate

Plot ratio represents a building’s total floor area (gross floor area) to the size of the piece of land upon which it is built.

The valuation of the land parcel at South Jakarta, Indonesia as at 31 December 2020 was based on the management’s assessment that:

- written local Indonesia government’s approval will be granted for an increase in plot ratio to a minimum of 9.5; and
- the renewal/extension of the HGB land title certificate which expires on 22 March 2038 will be obtained with no excessive charges by the local Indonesia government.

If the written approval is not granted or the approved plot ratio differs from the current assumptions, the valuation of the land parcel at South Jakarta, Indonesia will change.

(b) The PRC

(i) *Plot ratio and class 3A hospital license*

Plot ratio represents a building's total floor area (gross floor area) to the size of the piece of land upon which it is built.

The valuation of the Wuxi land as at 31 December 2020 and 31 December 2019 was based on OUELH’s management assessment that:

- written approval is expected to be granted to increase the plot ratio from 2.0 to 4.5; and
- a class 3A hospital license is expected to be granted.

If the written approval is not granted or the approved plot ratio differs from current assumption, the valuation of the Wuxi land will change significantly. Also, OUELH and its subsidiaries (“OUELH Group”) is in litigation with David Lin, a non-controlling shareholder of certain subsidiaries of OUELH (note 37(b)). The valuation of the Wuxi land will be significantly affected should there be an adverse outcome from the litigations.

(ii) *Gross development value and construction cost*

Gross development value is the estimated value that a property or new development would derive in the open market if it is sold in the current economic climate and condition.

The valuation of the Wuxi land is based on the current proposed development plan, with gross development value of:

	2020		2019	
	RMB'000	\$'000	RMB'000	\$'000
Wuxi land				
Gross development value	971,000	197,696	983,000	190,112

It also includes the following OUE LH's management estimates of the average estimated total construction cost for Wuxi land:

	2020		2019	
	RMB'000	\$'000	RMB'000	\$'000
Wuxi land				
Estimated construction cost per square metre	6.9	1.4	6.9	1.3

In arriving at the average construction cost for the Wuxi land, OUE LH's management has relied on construction cost furnished by Rider Levett Bucknall, an independent global property consultant.

Any change in the proposed development plan will result in a change in the gross development value and construction costs, and consequently, a change in the valuation of the Wuxi land.

(iii) *Entrepreneur profit and risk*

Entrepreneur profit and risk represents return required by a buyer of a partially completed investment property under development in the market place. This reflects the risks associated with the completion of the construction programme taking into consideration the anticipated income or capital value and is presented as a percentage of total gross development value.

The value of the Wuxi land is derived by taking the total gross development value and subtracting the entrepreneur profit and other costs, including construction costs, to be incurred to complete the project.

The valuation of the Wuxi land as at 31 December 2020 was based on an assumption of an entrepreneur profit and risk of 20.0% (2019: 20.0%) of the gross development value. Any change in the entrepreneur profit and risk will result in a change in the valuation of the Wuxi land.

22 Property, plant and equipment

Group Cost	Leasehold land and building \$'000	Leasehold improvements \$'000	Freehold premises \$'000	Plant, machinery and office equipment \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Construction and renovation in progress \$'000	Right-of-use assets \$'000	Total \$'000
At 1 January 2020	1,727,039	16,111	944	19,656	8,014	3,905	32,976	57,160	1,865,805
Additions	–	1,108	–	2,534	2,295	484	9,668	1,038	17,127
Disposals/Written off	(23)	(8,627)	–	(2,924)	(598)	(219)	–	(355)	(12,746)
Reclassification	–	332	–	324	1,306	–	(1,962)	–	–
Exchange differences	106	167	–	85	63	14	1,171	251	1,857
At 31 December 2020	1,727,122	9,091	944	19,675	11,080	4,184	41,853	58,094	1,872,043
Accumulated depreciation / impairment losses									
At 1 January 2020	14,158	2,266	270	9,023	5,285	3,300	–	3,787	38,089
Depreciation (note 5)	41,537	1,925	19	2,545	979	343	–	1,482	48,830
Impairment loss (note 9)	53,192	2,651	–	176	–	–	31,959	754	88,732
Disposals	–	(2,017)	–	(1,881)	(393)	(219)	–	(173)	(4,683)
Exchange differences	53	126	–	267	48	16	–	79	589
At 31 December 2020	108,940	4,951	289	10,130	5,919	3,440	31,959	5,929	171,557

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Group	Leasehold land and building \$'000	Leasehold improvements \$'000	Freehold premises \$'000	Plant, machinery and office equipment \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Construction and renovation in progress \$'000	Right-of-use assets \$'000	Total \$'000
Cost									
At 1 January 2019	2,343	7,877	944	18,098	9,624	6,254	29,503	–	74,643
Recognition of right-of-use assets on initial application of SFRS(I) 16	–	–	–	–	–	–	–	1,042,031	1,042,031
Adjusted balance at 1 January 2019	2,343	7,877	944	18,098	9,624	6,254	29,503	1,042,031	1,116,674
Acquisition of a subsidiary	1,724,505	–	–	68	–	–	–	26,774	1,751,347
Additions	24	5,423	–	3,956	800	247	7,654	888	18,992
Disposals	–	(23)	–	(2,461)	(2,376)	(2,587)	–	–	(7,447)
Reclassification	233	2,925	–	139	2	–	(3,299)	–	–
Derecognition of right-of-use assets	–	–	–	–	–	–	–	(1,012,407)	(1,012,407)
Exchange differences	(66)	(91)	–	(144)	(36)	(9)	(882)	(126)	(1,354)
At 31 December 2019	1,727,039	16,111	944	19,656	8,014	3,905	32,976	57,160	1,865,805
Accumulated depreciation / impairment									
At 1 January 2019	318	818	251	7,740	5,212	4,885	–	–	19,224
Recognition of right-of-use assets on initial application of SFRS(I) 16	–	–	–	–	–	–	–	1,403	1,403
Adjusted balance at 1 January 2019	318	818	251	7,740	5,212	4,885	–	1,403	20,627
Depreciation (note 5)	13,864	1,218	19	2,660	1,346	612	–	31,359	51,078
Impairment loss (note 9)	–	–	–	–	–	–	–	1,105	1,105
Disposals	–	(1)	–	(1,274)	(1,247)	(2,188)	–	–	(4,710)
Derecognition of right-of-use assets	–	–	–	–	–	–	–	(30,071)	(30,071)
Exchange differences	(24)	231	–	(103)	(26)	(9)	–	(9)	60
At 31 December 2019	14,158	2,266	270	9,023	5,285	3,300	–	3,787	38,089
Carrying amounts									
At 31 December 2019	1,712,881	13,845	674	10,633	2,729	605	32,976	53,373	1,827,716
At 31 December 2020	1,618,182	4,140	655	9,545	5,161	744	9,894	52,165	1,700,486

	Leasehold improvements \$'000	Freehold premises \$'000	Plant, machinery and office equipment \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Renovation in progress \$'000	Right-of-use assets \$'000	Total \$'000
Company								
Cost								
At 1 January 2020	825	944	9,131	4,730	3,791	728	705,082	725,231
Additions	–	–	251	2	417	861	8,725	10,256
Disposals	(1)	–	(101)	–	(219)	–	–	(321)
Reclassification	–	–	215	244	–	(459)	–	–
At 31 December 2020	824	944	9,496	4,976	3,989	1,130	713,807	735,166
Accumulated depreciation								
At 1 January 2020	322	269	5,318	3,244	3,195	–	28,750	41,098
Depreciation	165	19	964	490	327	–	31,660	33,625
Disposals	–	–	(4)	–	(219)	–	–	(223)
At 31 December 2020	487	288	6,278	3,734	3,303	–	60,410	74,500
Cost								
At 1 January 2019	822	944	8,523	6,465	5,591	–	–	22,345
Recognition of right-of-use assets on initial application of SFRS(I) 16	–	–	–	–	–	–	705,082	705,082
Adjusted balance at 1 January 2019	822	944	8,523	6,465	5,591	–	705,082	727,427
Additions	3	–	792	21	245	728	–	1,789
Disposals	–	–	(184)	(1,756)	(2,045)	–	–	(3,985)
At 31 December 2019	825	944	9,131	4,730	3,791	728	705,082	725,231
Accumulated depreciation								
At 1 January 2019	157	250	4,514	3,644	4,644	–	–	13,209
Depreciation	165	19	882	631	477	–	28,750	30,924
Disposals	–	–	(78)	(1,031)	(1,926)	–	–	(3,035)
At 31 December 2019	322	269	5,318	3,244	3,195	–	28,750	41,098
Carrying amounts								
At 31 December 2019	503	675	3,813	1,486	596	728	676,332	684,133
At 31 December 2020	337	656	3,218	1,242	686	1,130	653,397	660,666

- (i) Right-of-use assets classified within property, plant and equipment

Leases as lessees (SFRS(I) 16)

The Group had previously entered into master lease agreements with OUE Hospitality Real Estate Investment Trust (“OUE H-REIT”), a subsidiary of OUE H-TRUST (now known as OUE Hospitality Sub-Trust), to lease and operate Mandarin Orchard Singapore (“MOS”) and Crowne Plaza Changi Airport (“CPCA”).

In 2019, on the adoption of SFRS(I) 16, the minimum lease payments under the master lease agreements were recognised as right-of-use assets, with the corresponding lease liabilities based on the modified retrospective approach. The cumulative effect of adoption of SFRS(I) 16 was recognised as an adjustment to the opening balance of accumulated profits as at 1 January 2019, with no restatement of comparative information.

Subsequent to the Merger in 2019, OUE H-TRUST ceased to be an associate and was consolidated via the Group’s interest in OUE C-REIT. The master lease agreements with OUE H-TRUST ceased to exist for accounting purpose in the consolidated financial statements as these master lease agreements represent intra-group transactions. As a result, the right-of-use assets, lease liabilities and related other liabilities were derecognised with effect from the date of the Merger and a corresponding one-off non-cash gains on derecognition of right-of-use assets and lease liabilities, and other liabilities, of \$75,439,000 and \$15,461,000 respectively, were recognised and included within “Other (losses)/gains – net” (note 9) in 2019.

The Company leases MOS, office space and retail space under non-cancellable operating lease agreements.

Information about leases for which the Group and the Company are lessees are presented below.

Right-of-use assets

	Land use rights⁽¹⁾⁽²⁾ \$’000	Hotel properties⁽³⁾ \$’000	Retail space⁽⁴⁾ \$’000	Office space⁽⁵⁾ \$’000	Total \$’000
Group					
2020					
At 1 January	52,940	–	226	207	53,373
Additions	–	–	–	1,038	1,038
Derecognition of right-of-use assets	–	–	(182)	–	(182)
Depreciation (note 5)	(1,085)	–	(44)	(353)	(1,482)
Impairment loss	(754)	–	–	–	(754)
Exchange differences	239	–	–	(67)	172
At 31 December	51,340	–	–	825	52,165
2019					
Recognition of right-of-use assets on initial application of SFRS(I) 16	28,221 ⁽¹⁾	1,012,407	–	–	1,040,628
Acquisition of a subsidiary	26,774 ⁽²⁾	–	–	–	26,774
Additions	–	–	355	533	888
Depreciation (note 5)	(832)	(30,071)	(129)	(327)	(31,359)
Impairment loss	(1,105)	–	–	–	(1,105)
Exchange differences	(118)	–	–	1	(117)
Derecognition of right-of-use assets	–	(982,336)	–	–	(982,336)
At 31 December	52,940	–	226	207	53,373

Company	Hotel properties⁽³⁾	Retail space⁽⁴⁾	Office space⁽⁵⁾	Total
	\$'000	\$'000	\$'000	\$'000
2020				
At 1 January	676,172	160	–	676,332
Additions	–	–	8,725	8,725
Depreciation	(28,698)	(53)	(2,909)	(31,660)
At 31 December	647,474	107	5,816	653,397
2019				
Recognition of right-of-use assets on initial application of SFRS(I) 16	704,870	212	–	705,082
Depreciation	(28,698)	(52)	–	(28,750)
At 31 December	676,172	160	–	676,332

- (1) Represents land leases of a subsidiary which expire in 2055. The Group has initially applied SFRS(I) 16 using the modified retrospective method and adjusted the opening balances as at 1 January 2019 to recognise the right-of-use assets relating to these leases which were previously classified as lease prepayments.
- (2) Represent land leases in relation to the CPCA site which runs for a period of 74 years. Under the terms of the lease agreement, the land rent payable comprises a fixed component and a variable component computed based on certain percentage of the hotel revenue.
- (3) Hotel properties leases typically run for a period of twelve to fifteen years, with options to renew after lease expiry dates.
- (4) Retail space lease runs for two to five years. The lease was terminated in 2020.
- (5) Office space leases typically run for a period of two to three years.

(ii) Security

Property, plant and equipment of the Group with total carrying value of \$1,157,000,000 (2019: \$1,220,523,000) are mortgaged to financial institutions to secure credit facilities (note 25).

(iii) Impairment test for property, plant and equipment

The Group reviews the carrying amounts of property, plant and equipment at each reporting date to determine whether there is any indication of impairment. When considering impairment indicators, the Group considers both internal (e.g. adverse changes in operating and financial performance of the asset) and external sources (e.g. adverse changes in the business environment). Where indicators of impairment are identified, management estimate is required to determine the recoverable amount of the asset. The recoverable amount of the Group's property, plant and equipment was determined based on the higher of fair value less costs to sell and value-in-use calculation.

(a) *Leasehold land and building, and right-of-use assets*

As at 31 December 2020, the Group's major leasehold land and buildings, and right-of-use assets are:

	Description and Location	Tenure of Land	Open Market Value	
			2020 \$'000	2019 \$'000
MOS	a 37-storey Main Tower with a 39-storey Orchard Wing known as the "Mandarin Orchard Singapore" at Orchard Road, Singapore	99-year lease from 1 July 1957	1,157,000	1,228,000
CPCA	a 563-room hotel located within Singapore Changi Airport with a direct link to Terminal 3 and land use rights representing land lease in relation to the CPCA site which runs for a period of 74 years	74-year lease from 1 July 2009	468,500	497,000

In 2019, the Group acquired OUE H-TRUST (note 42) and recognised MOS, CPCA and the land use rights related to the CPCA site in property, plant and equipment.

Based on the Group's assessment, there were indications of possible impairment for MOS, CPCA and the land-use rights as at 31 December 2020, and the Group has engaged external independent valuers to estimate the recoverable amounts of the respective properties based on their market values. The fair value measurement was categorised as Level 3 fair value based on the inputs to the valuation techniques used. The following table shows the valuation techniques used in measuring the recoverable amounts of MOS, CPCA and the land-use rights, as well as the significant unobservable inputs used as at 31 December 2020:

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Direct comparison method:</i> The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales price to those reflective of the property	Price per hotel room: \$0.9 million – \$1.2 million	An increase in price per hotel room in isolation would result in a higher fair value measurement. Conversely, an increase in discount rate and terminal yield rate in isolation would result in a lower fair value measurement.
<i>Discounted cash flow cash flow method:</i> The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value	Discount rate: 7.0% Terminal yield rate: 4.8% - 5.5%	

During the year, an impairment loss of \$56,773,000 (2019: \$nil) was recognised to write down the carrying amount of MOS, CPCA and the land-use rights to their estimated recoverable amounts. Any adverse movement in a key assumption would lead to a further impairment.

(b) Construction and renovation in progress

As at 31 December 2020, the Group’s major construction and renovation in progress is a leasehold property under development in the PRC. Based on the OUELH’s management assessment, there were indications of possible impairment as at the reporting date due to the delay in progress of the construction, weak economic conditions and outlook, and the OUELH management’s reassessment of the development plans.

OUELH Group has engaged an external independent valuer to determine recoverable amount based on the fair value of the property on an “as-is” basis. The fair value measurement was categorised as Level 3 fair value based on the inputs to the valuation technique used. The following table shows the valuation technique used in measuring the recoverable amount of the leasehold property under development, as well as the significant unobservable inputs used as at 31 December 2020:

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Direct comparison method:</i> The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales price to those reflective of the leasehold property under development.	Price per square metre: \$301	The estimated fair value would increase (decrease) if price per square metre was higher (lower).

An impairment loss of \$31,959,000 was recognised for the leasehold property under development based on the fair value of the property on an “as-is” basis, taking into consideration the additions during the year which included provision for site restoration of \$5,534,000 (note 26). Any adverse movement in a key assumption would lead to a further impairment.

Contingent liabilities arising from leasehold property under development

The leasehold property under development is held by a subsidiary of OUELH. That subsidiary has potential contingencies arising from the delay in the progress of construction. Based on the terms of the land use right agreement with the local government and advice from external legal counsel, OUELH’s management has assessed that the exposure for contract penalty is of a wide range as the outcome is dependent on discussions with the local government and the development plans for the property. As there is uncertainty on the outflow of benefits and the amount cannot be estimated reliably, no provision was recognised at the reporting date.

23 Deferred taxes

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and when the deferred taxes relate to the same fiscal authority.

The movement in the deferred tax assets and liabilities during the year is as follows:

Group	Property, plant and equipment \$'000	Investment properties \$'000	Subsidiaries \$'000	Compound financial instruments \$'000	Others \$'000	Total \$'000
Deferred tax liabilities						
At 1 January 2020	9,790	165,654	29,985	440	16,648	222,517
Recognised in:						
- Profit or loss	408	(84,125)	2,133	(318)	(2,008)	(83,910)
- Other comprehensive income	-	-	-	-	3,261	3,261
Effects of movements in exchange rates	499	4,877	950	-	68	6,394
Others	-	-	-	(32)	-	(32)
At 31 December 2020	<u>10,697</u>	<u>86,406</u>	<u>33,068</u>	<u>90</u>	<u>17,969</u>	<u>148,230</u>
At 1 January 2019	9,756	156,285	26,402	762	15,558	208,763
Acquisition of a subsidiary (note 42)	-	-	-	-	175	175
Recognised in:						
- Profit or loss	302	12,516	2,942	(322)	(995)	14,443
- Other comprehensive income	-	-	-	-	1,949	1,949
Effects of movements in exchange rates	(268)	(3,147)	641	-	(39)	(2,813)
At 31 December 2019	<u>9,790</u>	<u>165,654</u>	<u>29,985</u>	<u>440</u>	<u>16,648</u>	<u>222,517</u>

Tax charged/(credited) to other comprehensive income is recognised in the fair value reserve for equity investments at FVOCI.

Group	Tax losses	Others	Total
	\$'000	\$'000	\$'000
Deferred tax assets			
At 1 January 2020	8,488	2,617	11,105
Recognised in:			
- Profit or loss	(8,918)	(2,145)	(11,063)
Effects of movements in exchange rates	451	–	451
At 31 December 2020	<u>21</u>	<u>472</u>	<u>493</u>
At 1 January 2019	13,655	4,008	17,663
Recognised in:			
- Profit or loss	(4,992)	–	(4,992)
- Other comprehensive income	–	(1,391)	(1,391)
Effects of movements in exchange rates	(175)	–	(175)
At 31 December 2019	<u>8,488</u>	<u>2,617</u>	<u>11,105</u>

Unrecognised deferred tax assets

As at 31 December 2020, deferred tax assets have not been recognised in respect of tax losses and other deductible temporary differences of \$121,910,000 (2019: \$38,937,000) and \$13,586,000 (2019: \$44,554,000), respectively. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Tax losses and other deductible temporary differences do not expire under current tax legislation.

Unrecognised deferred tax liabilities

At 31 December 2020, deferred tax liabilities of \$8,546,000 (2019: \$8,369,000) for temporary differences of \$50,268,000 (2019: \$49,231,000) related to the Group's investments in certain subsidiaries were not recognised because the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

As at 31 December 2020, deferred tax liabilities of \$11,262,000 (2019: \$58,732,000) for temporary differences of \$48,005,000 (2019: \$204,143,000) related to withholding taxes that would be payable on the unremitted earnings of the Group's investment in certain subsidiaries were not recognised as the timing of the reversal of the temporary difference arising from such amounts can be controlled and it is probable that such temporary differences will not be reversed in the foreseeable future.

Company	Property, plant and equipment \$'000	Distribution from a subsidiary \$'000	Distribution from an associate \$'000	Compound financial instruments \$'000	Total \$'000
Deferred tax liabilities/(assets)					
At 1 January 2020	895	(1,204)	–	440	131
Recognised in:					
- Profit or loss	(501)	(176)	–	(318)	(995)
Others	–	–	–	(32)	(32)
At 31 December 2020	<u>394</u>	<u>(1,380)</u>	<u>–</u>	<u>90</u>	<u>(896)</u>
At 1 January 2019	1,353	–	(1,274)	762	841
Recognised in:					
- Profit or loss	(458)	(1,204)	1,274	(322)	(710)
At 31 December 2019	<u>895</u>	<u>(1,204)</u>	<u>–</u>	<u>440</u>	<u>131</u>

24 Trade and other payables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables:				
- Subsidiaries	–	–	6,186	18,599
- Associates	–	23	–	–
- Third parties	16,428	44,589	1,053	3,432
	<u>16,428</u>	<u>44,612</u>	<u>7,239</u>	<u>22,031</u>
Non-trade payables:				
- Subsidiaries	–	–	83,659	100,076
- Associates	–	156	–	156
- Third parties	25,257	31,415	16,447	17,449
Interest payable	11,921	17,320	470	2,951
Accruals	65,630	93,447	13,714	23,099
Retention sums payable	294	1,018	75	159
Rental deposits	18,314	15,755	491	234
	<u>137,844</u>	<u>203,723</u>	<u>122,095</u>	<u>166,155</u>

Non-trade payables to subsidiaries and associates are unsecured, interest-free and repayable on demand.

The exposure of the Group and the Company to liquidity risk are disclosed in note 39.

25 Borrowings

	Note	Group		Company	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current					
Loans from third parties		189	189	–	–
Secured bank loans		49,145	739,328	–	–
Unsecured bank loans		369,254	–	–	–
Secured Tokutei Mokutei Kaisha (“TMK”) bonds	(i)	1,828	120,691	–	–
Unsecured notes	(ii)	–	449,684	–	299,840
		<u>420,416</u>	<u>1,309,892</u>	<u>–</u>	<u>299,840</u>
Non-current					
Secured bank loans		1,575,340	1,156,158	–	–
Secured TMK bonds	(i)	137,012	–	–	–
Unsecured bank loans		701,449	972,077	49,485	–
Unsecured notes	(ii)	496,460	397,889	–	–
Convertible bonds	(iii)	145,448	153,607	145,448	153,607
		<u>3,055,709</u>	<u>2,679,731</u>	<u>194,933</u>	<u>153,607</u>
Total		<u>3,476,125</u>	<u>3,989,623</u>	<u>194,933</u>	<u>453,447</u>

The exposure of the Group and the Company to market and liquidity risks are disclosed in note 39.

(i) *Secured TMK bonds*

TMK is an investment vehicle incorporated under the Asset Liquidation Law of Japan to acquire real estate and obtain debt financing in real estate finance transactions in Japan. A TMK may issue TMK Bonds, which are generally issued to qualified institutional investors. The TMK grants to holders of TMK Bonds the right to receive all payments due in relation to such TMK Bonds out of the assets of the TMK prior to any payments to other unsecured creditors. This statutory right is generally referred to as a general security interest. Unless otherwise provided in the Asset Liquidation plan, such general security is automatically created by operation of law.

The TMK Bonds pertain to bond issued by a subsidiary of OUELH and are secured against:

- (i) the total assets of a subsidiary of OUELH which mainly comprise investment properties in Japan (note 21) and cash and cash equivalents (note 12); and
- (ii) a corporate guarantee from OUELH.

(ii) *Unsecured notes*

The unsecured notes of the Group comprise the following:

- In 2019, \$299,840,000 comprising 1 series of notes issued by the Company at 3.80% as part of an unsecured \$3 billion Multicurrency Debt Issuance programme. The unsecured notes were redeemed at their principal amounts in April 2020.
- \$398,671,000 (2019: \$397,889,000) comprising 2 series of notes issued by a wholly-owned subsidiary of the Group at various interest rates as part of an unsecured \$3 billion Multicurrency Debt Issuance programme. The unsecured notes are redeemable at their principal amounts on their respective maturity dates in April 2022 and May 2023.

- \$97,789,000 (2019: \$149,844,000) comprising 1 series (2019: 1 series) of notes issued under a \$1.5 billion Multicurrency Debt Issuance programme issued by a subsidiary of the Group at 4.00% per annum (2019: 3.03% per annum). The unsecured notes as at 31 December 2020 are redeemable at the principal amounts in June 2025. The unsecured notes as at 31 December 2019 were fully redeemed in September 2020.

(iii) *Convertible and exchangeable bonds*

	2020	2019	
	Convertible bonds \$'000	Convertible bonds \$'000	Exchangeable bonds \$'000
At Group and Company			
At 1 January	153,607	149,100	145,089
Accreted interest	4,604	4,507	4,911
Gain on redemption	(263)	–	–
Redemption	(12,500)	–	(150,000)
At 31 December	145,448	153,607	–

The convertible bonds are convertible into new ordinary shares at the conversion price of \$1.855 (2019: \$1.9351) per share on or after 24 May 2018 at the option of the holder, and may be redeemed at the option of the Company or bondholders on specified dates. Any unconverted bonds become repayable on demand. The convertible bonds are due in April 2023 and are listed on the SGX-ST. In 2020, the Company repurchased from the open market and cancelled convertible bonds with an aggregate principal amount of \$12,500,000.

The exchangeable bonds were exchangeable into the Company's investment in stapled securities of OUE H-TRUST at an exchangeable price of \$0.9256 per stapled security on or after 24 May 2018 at the option of the holder, or redeemed at the option of the Company or the bondholders on specified dates. On 18 July 2019, the Group fully redeemed all of its outstanding exchangeable bonds.

The secured borrowings of the Group are secured on the following:

- bank deposits of \$38,912,000 (2019: \$38,275,000) (note 12);
- floating charge over bank deposits of \$23,684,000 (2019: \$15,237,000) (note 12);
- development property with carrying amount of \$nil (2019: \$152,380,000) (note 16);
- investment properties with carrying amount of \$2,550,317,000 (2019: \$3,484,503,000) (note 21);
- property, plant and equipment with carrying amount of \$1,157,000,000 (2019: \$1,220,523,000) (note 22); and
- assignment of all rights, titles, benefits and interests in connection with the sale, lease and insurance proceeds of certain property, plant and equipment, and investment properties.

Intra-group financial guarantees

Intra-group financial guarantees comprise guarantees given by the Company to banks in respect of banking facilities granted to a wholly-owned subsidiary.

The periods in which the financial guarantees will expire are as follows:

	2020	2019
	\$'000	\$'000
Within one year	–	255,338

The amounts drawn down under the banking facilities were fully repaid during the year.

Terms and debts repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	Group		Company	
			2020	2019	2020	2019
			\$'000	\$'000	\$'000	\$'000
Unsecured bank loans						
- SGD	1.31% – 2.21% (2019: 2.68% – 3.42%)	2021 – 2024 (2019: 2021 – 2024)	1,070,703	972,077	49,485	–
Secured bank loans						
- USD	Not applicable (2019: 3.99%)	Not applicable (2019: 2020)	–	250,399	–	–
- MYR	4.79% (2019: 5.74%)	2021 (2019: 2020 – 2021)	16,601	20,525	–	–
- SGD	1.16% – 1.78% (2019: 2.68 – 3.42%)	2021 – 2024 (2019: 2020 – 2022)	1,584,071	1,600,009	–	–
- RMB	4.88 – 5.22% (2019: 4.90 – 5.22%)	2021 - 2024 (2019: 2020 - 2024)	23,813	24,553	–	–
Unsecured notes						
- SGD	3.55% – 4.00% (2019: 3.03% – 3.80%)	2022 – 2025 (2019: 2020 – 2023)	496,460	847,573	–	299,840
Secured TMK bonds						
- JPY	1.00% (2019: 1.06%)	2025 (2019: 2020)	138,840	120,691	–	–
Loans from third parties						
- SGD	Not applicable (2019: Not applicable)	2021 (2019: 2020)	189	189	–	–
Convertible bonds						
- SGD	1.50% (2019: 1.50%)	2023 (2019: 2023)	145,448	153,607	145,448	153,607
			3,476,125	3,989,623	194,933	453,447

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		Derivative liabilities held to hedge long-term borrowings	Lease liabilities	Interest rate swap used for hedging – liabilities	Equity component of convertible bonds	Total
	Borrowings	Convertible bonds	Interest payable	liabilities	liabilities	bonds	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020	3,836,016	153,607	17,320	26,104	17,311	4,797	4,055,155
Changes from financing cash flows							
Proceeds from borrowings	1,906,270	–	–	–	–	–	1,906,270
Repayment of borrowings*	(2,416,248)	–	–	–	–	–	(2,416,248)
Redemption of convertible bonds	–	(12,500)	–	–	–	–	(12,500)
Principal repayment of leases	–	–	–	(590)	–	–	(590)
Transaction costs/finance costs paid	(16,881)	–	(110,902)	(890)	–	–	(128,673)
Total changes from financing cash flows	(526,859)	(12,500)	(110,902)	(1,480)	–	–	(651,741)
Effect of changes in foreign exchange rates	11,901	–	(103)	–	–	–	11,798
Change in fair value	–	–	–	–	23,669	–	23,669
Other changes							
Liability related							
Amortisation of transaction costs	11,776	1,024	–	–	–	–	12,800
Interest expense	–	3,580	105,606	890	–	–	110,076
Accrued transaction costs related to borrowings	(2,157)	–	–	–	–	–	(2,157)
Gain on redemption of convertible bonds	–	(263)	–	–	–	–	(263)
Additions to lease liabilities	–	–	–	1,038	–	–	1,038
Derecognition of lease liabilities	–	–	–	(183)	–	–	(183)
Total liability-related other changes	9,619	4,341	105,606	1,745	–	–	121,311
Total equity-related other changes	–	–	–	–	–	(156)	(156)
Balance at 31 December 2020	3,330,677	145,448	11,921	26,369	40,980	4,641	3,560,036

* Excluding convertible bonds

	Liabilities				Derivative (assets)/ liabilities held to hedge long-term borrowings				Total \$'000
	Borrowings \$'000	Convertible bonds \$'000	Exchangeable bonds \$'000	Interest payable \$'000	Lease liabilities \$'000	Interest for hedging – assets \$'000	Interest for hedging – liabilities \$'000	Equity convertible bonds \$'000	
Balance at 1 January 2019	3,202,066	149,100	145,089	18,453	–	(116)	7,960	4,797	3,527,349
Recognition of lease liabilities on initial application of SFRS(I) 16	–	–	–	–	1,080,080	–	–	–	1,080,080
As at 1 January 2019, as restated	3,202,066	149,100	145,089	18,453	1,080,080	(116)	7,960	4,797	4,607,429
Changes from financing cash flows									
Proceeds from borrowings	495,884	–	–	–	–	–	–	–	495,884
Repayment of borrowings*	(738,620)	–	–	–	–	–	–	–	(738,620)
Redemption of exchangeable bonds	–	–	(150,000)	–	–	–	–	–	(150,000)
Principal repayment of leases	–	–	–	–	(22,477)	–	–	–	(22,477)
Transaction costs/finance costs paid	(225)	–	–	(125,784)	–	–	–	–	(126,009)
Total changes from financing cash flows	(242,961)	–	(150,000)	(125,784)	(22,477)	–	–	–	(541,222)
Changes from acquisition of subsidiaries	870,018	–	–	3,380	(1,032,289)	–	–	–	(158,891)
Effect of changes in foreign exchange rates	(1,627)	–	–	(60)	–	–	–	–	(1,687)
Change in fair value	–	–	–	–	–	116	9,351	–	9,467
Other changes									
Liability related									
Amortisation of transaction costs	8,520	1,022	2,227	–	–	–	–	–	11,769
Additions to lease liabilities	–	–	–	–	790	–	–	–	790
Interest expense	–	3,485	2,684	121,331	–	–	–	–	127,500
Total liability-related other changes	8,520	4,507	4,911	121,331	790	–	–	–	140,059
Balance at 31 December 2019	3,836,016	153,607	–	17,320	26,104	–	17,311	4,797	4,055,155

* Excluding convertible and exchangeable bonds

26 Provision

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current				
At 1 January	29,661	42,079	–	405
Provision /(Reversal) made during the year	5,534	(9,750)	–	7
Utilisation during the year	(2,060)	(2,668)	–	(414)
Unwinding of discount	–	–	–	2
Exchange differences	85	–	–	–
At 31 December	33,220	29,661	–	–

Provision for legal and related expenses

As at 31 December 2020, the provision for legal and related expenses of \$27,601,000 (2019: \$29,601,000) relates to legal and related expenses made by OUELH Group (note 37).

Provision for site restoration

As at 31 December 2020, provision for site restoration of \$5,619,000 (2019: \$nil) relates to the provision of reinstatement cost to be incurred for the restoration of OUELH Group's leasehold property under development in Dujiangyan, Chengdu in the PRC.

A provision for reinstatement cost is recognised when the Group has a legal and constructive obligation to restore the property to its original condition under property lease agreements with external parties. The provision is based on the best estimate of the expenditure with reference to a quotation from an independent contractor. The provision is initially capitalised and included in the cost of "Property, plant and equipment" (note 22).

27 Deferred income

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Government grants	4,432	–	3,955	–
Non-refundable deposits	2,487	34,732	–	–
	6,919	34,732	3,955	–
Current	6,374	32,808	3,955	–
Non-current	545	1,924	–	–
	6,919	34,732	3,955	–

Non-refundable deposits

This relates to non-refundable deposits received for units in the completed development property (note 16) sold under deferred payment schemes.

Government grants

The Group was awarded two government grants in 2020 introduced in Singapore in response to the COVID-19 pandemic, comprising:

- (i) \$17,067,000 pertaining to a wage subsidy programme (i.e. jobs support scheme). The grant income was recognised in profit or loss against the related wages of the employees (note 5). As at 31 December 2020, a grant receivable (note 17) and corresponding deferred income were recognised in relation to the grant receivable for the wages payable to eligible employees for December 2020.
- (ii) \$20,647,000 pertaining to rental reliefs (i.e. property tax rebate). The Group passed on in full the rental reliefs to eligible tenants and a corresponding grant expense amounting to \$15,824,000 was recognised and deducted against the grant income. The net amount of this grant income and grant expense of \$4,823,000 was recognised in profit or loss against the related property tax (note 5).

28 Derivatives

	Group	
	2020	2019
	\$'000	\$'000
Current		
<i>Derivative liabilities</i>		
Interest rate swaps used for hedging	(9,085)	(2,751)
Non-current		
<i>Derivative liabilities</i>		
Interest rate swaps used for hedging	(31,895)	(14,560)

The Group uses interest rate swaps to manage its exposure to interest rate movements on certain floating rate interest-bearing bank loans by swapping the floating rates on the bank loans to fixed rates. Further details are set out in note 39.

29 Lease liabilities

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Lease liabilities:				
Current	464	518	25,117	21,460
Non-current	25,905	25,586	697,013	716,231
	26,369	26,104	722,130	737,691

During the year, the incremental borrowing rates of the Group's and the Company's lease liabilities range from 0.89% to 5.00% and 2.85% to 3.19% (2019: 0.89% to 3.43% and 2.85% to 3.19%) per annum, respectively.

Lease liabilities of the Company pertains to MOS, office space and retail space leases with its subsidiaries under non-cancellable operating lease agreements.

Amounts recognised in profit or loss

	Group	
	2020	2019
	\$'000	\$'000
Finance expenses on lease liabilities	890	23,541

Amounts recognised in statement of cash flows

	Group	
	2020	2019
	\$'000	\$'000
Total cash outflow for leases	1,480	22,477

Leases as lessors (SFRS(I) 16)

Operating lease

The Group leases out its investment properties (note 21) under non-cancellable leases. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Operating leases				
Less than one year	175,684	273,919	835	1,301
One to two years	123,550	206,298	1,162	200
Two to three years	71,028	134,638	1,231	8
Three to four years	41,382	74,019	170	–
Four to five years	32,908	53,211	–	–
More than five years	22,348	138,033	–	–
Total	466,900	880,118	3,398	1,509

30 Other payables

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Retention sums payable	743	968	–	–
Rental deposits	37,550	55,697	16	410
	<u>38,293</u>	<u>56,665</u>	<u>16</u>	<u>410</u>

The exposure of the Group and the Company to liquidity risk is disclosed in note 39.

31 Assets held for sale and liabilities directly associated with the assets held for sale

	2020	2019
	\$'000	\$'000
Assets held for sale		
Interests in an equity-accounted investee	–	100,001
Investment property	1,258,512	–
	1,258,512	100,001
Liabilities directly associated with the assets held for sale		
Rental deposits	14,674	–
	14,674	–

2020

On 18 January 2021, OUE C-REIT entered into a sale and contribution agreement to divest 50.0% of OUE Bayfront, OUE Tower, and OUE Link (the “Property”) to ACRE Angsana Pte. Ltd. (“Allianz Investor”), a special purpose vehicle managed by Allianz Real Estate Asia Pacific Pte. Ltd. (which is unrelated to the Group). The divestment will be effected through the establishment of a limited liability partnership (“LLP”) which will acquire the Property, with OUE C-REIT and Allianz Investor each holding a 50.0% interest in the LLP. Accordingly, the Property was classified as asset held for sale as at 31 December 2020.

Immediately before the classification as held for sale, the Property was remeasured based on the expected selling price after adjusting for the cost of lease extension and income support to be provided. The fair value measurement was categorised as Level 2 fair value based on the inputs in the valuation technique used (note 2.4). The liabilities directly associated with the asset held for sale are measured at their carrying amount as they are assumed to approximate fair value because of their short period to maturity.

2019

In 2019, the asset held for sale was related to the 635,522,473 ordinary shares (the “sale shares”) in GPI, representing approximately 4.0% of the Group’s equity interest in GPI. The sale of these shares was completed in January 2020.

Immediately before the classification as held for sale, management had determined the recoverable amount of the sale shares based on fair value less cost of disposal, calculated based on the expected selling price which approximated to the quoted market price. The fair value measurement was categorised as Level 1 fair value based on the inputs in the valuation technique used (note 2.4).

As the estimated recoverable amount of the sale shares was lower than its carrying amount, an impairment loss of \$9,024,000 was recognised and included within “Other (losses)/gains – net” (note 9) in 2019.

32 Share capital

	Company			
	Number of shares		Amount	
	2020	2019	2020	2019
	'000	'000	\$'000	\$'000
At 1 January and 31 December	981,602	981,602	693,315	693,315

All issued ordinary shares are fully paid, with no par value. All shares rank equally with regard to the Company's residual assets.

During the year, the Company acquired 18,753,200 of its own shares for a total consideration of \$21,795,000.

At 31 December 2020, the Group held 98,839,200 (2019: 80,086,000) of the Company's shares as treasury shares (note 33).

33 Other reserves

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Asset revaluation reserve	–	9,028	–	–
Currency translation reserve	(5,373)	(72,117)	–	–
Hedging reserve	(18,851)	(6,981)	–	–
Fair value reserve	25,438	9,514	–	–
Reserve for own shares	(192,615)	(170,820)	(192,615)	(170,820)
Capital reserve	(1,476)	(18,894)	4,641	4,797
	<u>(192,877)</u>	<u>(250,270)</u>	<u>(187,974)</u>	<u>(166,023)</u>

The movement of other reserves of the Group is as follows:

	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Hedging reserve \$'000	Fair value reserve \$'000	Reserve for own shares \$'000	Capital reserve \$'000	Total \$'000
At 1 January 2020	9,028	(72,117)	(6,981)	9,514	(170,820)	(18,894)	(250,270)
Other comprehensive income							
Foreign operations:							
- currency translation differences	-	23,053	-	-	-	-	23,053
Share of other comprehensive income of equity-accounted investees:							
- currency translation differences	-	43,691	-	-	-	-	43,691
- other reserves	-	-	-	-	-	3,807	3,807
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	-	-	15,924	-	-	15,924
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges	-	-	(21,398)	-	-	-	(21,398)
- hedging reserve reclassified to profit or loss	-	-	9,528	-	-	-	9,528
Total other comprehensive income, net of tax	-	66,744	(11,870)	15,924	-	3,807	74,605
Total other comprehensive income for the year	-	66,744	(11,870)	15,924	-	3,807	74,605
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Own shares acquired	-	-	-	-	(21,795)	-	(21,795)
Redemption of convertible bonds	-	-	-	-	-	(156)	(156)
Total contributions by and distribution to owners	-	-	-	-	(21,795)	(156)	(21,951)
Total transactions with owners	-	-	-	-	(21,795)	(156)	(21,951)
Share of reserves of an equity-accounted investee	-	-	-	-	-	13,767	13,767
Transfer from asset revaluation reserve to accumulated profits ⁽¹⁾	(9,028)	-	-	-	-	-	(9,028)
At 31 December 2020	-	(5,373)	(18,851)	25,438	(192,615)	(1,476)	(192,877)

⁽¹⁾ During the year, the Group completed the disposal of its entire interest in TCB OUE, an immaterial associate (note 19) and the relevant share of asset revaluation reserve of \$9,028,000 was transferred to accumulated profits upon derecognition.

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	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Hedging reserve \$'000	Fair value reserve \$'000	Reserve for own shares \$'000	Capital reserve \$'000	Total \$'000
At 1 January 2019	9,028	(36,076)	(1,862)	26,045	(170,820)	(12,470)	(186,155)
Other comprehensive income							
Foreign operations:							
- currency translation differences	-	(14,109)	-	-	-	-	(14,109)
Share of other comprehensive income of equity-accounted investees:							
- currency translation differences	-	(21,932)	-	-	-	-	(21,932)
- other reserves	-	-	(982)	5,907	-	(6,424)	(1,499)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	-	-	148,751	-	-	148,751
Cash flow hedges:							
- effective portion of changes in fair value of cash flow hedges	-	-	(4,445)	-	-	-	(4,445)
- hedging reserve reclassified to profit or loss	-	-	308	-	-	-	308
Total other comprehensive income, net of tax	-	(36,041)	(5,119)	154,658	-	(6,424)	107,074
Total other comprehensive income for the year	-	(36,041)	(5,119)	154,658	-	(6,424)	107,074
Transfer from fair value reserve to accumulated profits ⁽²⁾ (note 15)	-	-	-	(171,189)	-	-	(171,189)
At 31 December 2019	9,028	(72,117)	(6,981)	9,514	(170,820)	(18,894)	(250,270)

⁽²⁾ In 2019, the Group disposed some of the equity investments designated at FVOCI (note 15) and the relevant net fair value gains accumulated in fair value reserve, which amounted to \$171,189,000 was transferred to accumulated profits upon derecognition.

Asset revaluation reserve

The asset revaluation reserve includes the surplus arising from the one-time valuation of certain land and building.

Currency translation reserve

The currency translation reserve comprises:

- (a) exchange differences arising from the translation of financial statements of foreign operations;
- (b) share of currency translation reserves of foreign equity-accounted investees; and
- (c) exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of the financial assets designated at FVOCI until the investments are derecognised or impaired.

Reserve for own shares

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2020, the Group held 98,839,200 (2019: 80,086,000) of the Company's shares as treasury shares.

Capital reserve

The reserve mainly relates to the Group's share of units/shares issue costs of subsidiaries, share of reserves of an equity-accounted investee and the equity component of the convertible bonds.

34 Accumulated profits

Movements in the accumulated profits of the Company are as follows:

	Company	
	2020	2019
	\$'000	\$'000
At 1 January	2,525,105	2,436,396
Effect of adopting SFRS(I) 16	–	(53,468)
Net (loss)/profit for the year	(241,796)	89,374
Dividends paid (note 36)	(45,031)	(117,197)
Transfer from fair value reserves ⁽¹⁾ (note 15)	–	170,000
At 31 December	2,238,278	2,525,105

⁽¹⁾ In 2019, the Company disposed some of the equity investments designated at FVOCI (note 15) and the relevant net fair value gains accumulated in fair value reserve, which amounted to \$170,000,000 was transferred to accumulated profits upon derecognition.

Movements in the accumulated profits of the Group are shown in the consolidated statement of changes in equity.

35 Non-controlling interests

The following subsidiaries have NCI that are material to the Group:

Name	Principal place of business/Country of incorporation	Ownership interests held by NCI	
		2020	2019
		OUE C-REIT	Singapore
OUELH	Singapore	35.6%	35.7%

The following summarises the financial information of the Group's subsidiaries with material NCI, based on consolidated financial statements prepared in accordance with SFRS(I), including consolidation adjustments but before intercompany eliminations with other companies in the Group.

	OUE C-REIT \$'000	OUELH \$'000	Immaterial subsidiaries \$'000	Total \$'000
31 December 2020				
Revenue	292,007	19,980		
Loss after tax	(28,895)	(104,796)		
Other comprehensive income	(584)	9,554		
Total comprehensive income	(29,479)	(95,242)		
Attributable to NCI:				
- (Loss)/Profit for the year	(19,519)	(42,117)	235	(61,401)
- Other comprehensive income	(694)	3,406	-	2,712
- Total comprehensive income	(20,213)	(38,711)	235	(58,689)
Non-current assets	5,320,070	561,257		
Current assets	1,377,568	105,549		
Non-current liabilities	(2,492,511)	(195,196)		
Current liabilities	(498,225)	(286,739)		
Net assets	3,706,902	184,871		
Net assets attributable to NCI	1,854,975	61,741	94	1,916,810
Cash flows from operating activities	234,359	1,015		
Cash flows (used in)/from investing activities	(7,003)	6,735		
Cash flows (used in)/from financing activities (Dividends to NCI of OUE C-REIT: \$66,054,000)	(200,495)	7,785		
Net increase in cash and cash equivalents	26,861	15,535		

	OUE C-REIT \$'000	OUELH \$'000	Immaterial subsidiaries \$'000	Total \$'000
31 December 2019				
Revenue	257,329	19,649		
Profit/(Loss) after tax	108,460	(5,824)		
Other comprehensive income	(23,541)	4,686		
Total comprehensive income	84,919	(1,138)		
Attributable to NCI:				
- Profit/(Loss) for the year	66,498	(1,564)	1,649	66,583
- Other comprehensive income	(12,584)	1,670	-	(10,914)
- Total comprehensive income	53,914	106	1,649	55,669
Non-current assets	6,711,261	631,429		
Current assets	94,430	101,138		
Non-current liabilities	(2,287,041)	(69,229)		
Current liabilities	(672,950)	(391,359)		
Net assets	3,845,700	271,979		
Net assets attributable to NCI	1,944,311	97,543	1,995	2,043,849
Cash flows from/(used in) operating activities	160,856	(4,512)		
Cash flows used in investing activities	(58,050)	(30,730)		
Cash flows (used in)/from financing activities (Dividends to NCI of OUE C-REIT: \$50,789,000)	(79,446)	27,253		
Net increase/(decrease) in cash and cash equivalents	23,360	(7,989)		

Significant restrictions

Other than the restrictions resulting from the regulatory framework within which OUE C-REIT operates, there is no significant restriction on the Group's ability to access or use the assets and settle the liabilities of OUE C-REIT.

OUE C-REIT is regulated by the Monetary Authority of Singapore ("MAS") and is supervised by the SGX-ST for compliance with the Singapore Listing Rules. Under the regulatory framework, transactions with OUE C-REIT are either subject to review by OUE C-REIT's trustee or must be approved by a majority of votes by the minority unitholders of OUE C-REIT at a meeting of unitholders. The consolidated assets of OUE C-REIT are held in trust by its trustee for the unitholders.

37 Litigation cases

OUELH Group, a subsidiary of the Group, is exposed to several litigation cases as at 31 December 2020.

(a) *Litigation cases with The Enterprise Fund III Ltd, Value Monetization III Ltd and VMF3 Ltd (collectively, the “Funds”)*

On 15 April 2016, the Funds appointed receivers (“Receivers”) over the entire issued share capital of IHC Medical RE Pte. Ltd. (“IHC Medical”), IHC Management Pte. Ltd. (“IHC Management”) and IHC Management (Australia) Pty Ltd (“IHC Australia”), which are wholly-owned subsidiaries of OUELH Group, in connection with the notices of default issued by the Funds alleging that OUELH, together with IHC Medical, owe the Funds a certain sum of money (including outstanding interest).

OUELH commenced proceedings against Crest Capital Asia Pte. Ltd., Crest Catalyst Equity Pte. Ltd., and the Funds (collectively known as the “Crest Funds”), Fan Kow Hin (“Fan”), and Lim Beng Choo (“Lim”), amongst other parties, to challenge the sum claimed under the notices of default.

Separately, the Funds counter-sued in related proceedings for damages, on the basis that OUELH Group had deprived the Funds of the alleged security over the shares of IHC Medical, IHC Management and IHC Australia and had caused losses to the Funds as a result of the diminution in the value of the shares. The Funds have since withdrawn this action in July 2019, and paid costs to OUELH Group.

In 2017, OUELH commenced further proceedings for a declaration that it had validly avoided the standby facility extended to OUELH for contravention of Section 76 of the Companies Act. OUELH also commenced proceedings against the Receivers and the Funds to set aside the purported sale of the entire issued share capital of IHC Medical by the Receivers to the Funds.

In July 2018, the High Court declared that OUELH had validly avoided the standby facility and its related contracts and transactions. Following the High Court’s decision, OUELH commenced further proceedings against the Funds in September 2018 for the return of sums paid to the Funds under the avoided standby facility. OUELH also took out court applications for the release of part of the net proceeds of the sale of the underlying assets of IHC Medical (“Release Applications”) which are held by the Funds pursuant to an Order of Court. The Funds’ appeal against the High Court’s decision on the avoidance of the standby facility was dismissed in September 2019. The Funds have also commenced proceedings against OUELH for statutory relief under the Companies Act arising from the avoidance of the standby facility.

On 9 July 2020, the High Court issued a favourable judgement (“Suit 441 Judgement”) for OUELH and dismissed the Crest Funds’ counterclaims in full. The High Court granted judgement as follows:

- against the Crest Funds, Fan and Lim, jointly and severally, for the sums paid by OUELH towards the standby facility of \$4,538,800;
- against the Crest Funds and Fan, jointly and severally, for interest representing the loss of use of the \$4,538,800, amounting to \$4,440,780;
- against the Crest Funds and Fan, jointly and severally, on the basis that OUELH would have paid off the outstanding Geelong Facility liability on its maturity date of 28 February 2016, an amount of \$3,615,066 (post-maturity interest and default interest) and the loss of Australian business (the quantification of which will be determined in separate proceedings); and

- the Crest Entities are not entitled to charge the cost, expenses or fees relating to their receivership.

Following the Suit 441 Judgment, the Funds discharged their receivership over the OUELH's wholly owned subsidiaries on 18 August 2020.

OUELH received a total of \$13,066,592 from the Crest Entities and a further A\$16,315,443 (approximately \$15,864,000) pursuant to a by-consent Order of Court dated 11 September 2020 for the discharge of banker's guarantee.

On 7 January 2021, OUELH received a further A\$4,699,679 (approximately \$4,821,000) of the surplus sale proceeds of the three properties in Australia (553 St Kilda Road, 541 St Kilda Road and 73-79 Little Ryrie Street, Geelong, collectively the "Australian Properties") from the Australian trustee. The Australian Trusts were previously set up by OUELH to hold the Australian Properties.

The Crest Funds, Fan and Lim have filed appeals (CA113, CA132 and CA 135) against the Suit 441 Judgment to the Court of Appeal. On 13 January 2021, parties attended a mediation prior to the appeals but were unable to reach a settlement of the dispute. The appeals were heard on 29 January 2021.

On 30 March 2021, the Court of Appeal dismissed the appeals of Lim and Fan in CA132 and CA135 respectively in full. For CA113, the Court of Appeal dismissed the appeal by Crest Capital Asia Pte Ltd, Crest Catalyst Equity Pte Ltd, and The Enterprise Fund III Ltd, but partially allowed the appeal only insofar as VMF3 Ltd and Value Monetization III Ltd are not held to be liable for damages and costs.

The Court of Appeal ordered the following:

- Crest Capital Asia Pte Ltd, Crest Catalyst Equity Pte Ltd, and The Enterprise Funds III Ltd shall pay the Company \$80,000 inclusive of disbursements;
- Fan shall pay OUELH \$60,000 inclusive of disbursements; and
- Lim shall pay OUELH \$50,000 inclusive of disbursements.

VMF3 Ltd and Value Monetization III Ltd have been directed to provide their respective submissions on the appropriate costs order and quantum within 14 working days of the Court of Appeal judgment.

The Court of Appeal is the court of final appeal in Singapore. No further appeal may be made in respect of matters decided on by the Court of Appeal.

(b) Litigation cases with David Lin, a non-controlling shareholder of certain subsidiaries

In 2013, OUELH Group acquired a 74.97% effective interest and control over Health Kind International Limited ("HKIL") and its subsidiaries, Health Kind International (Shanghai) Co., Ltd. ("Health Kind Shanghai") and Wuxi New District Phoenix Hospital Co., Ltd. ("Wuxi Co").

In 2017, Weixin Hospital Investment Management (Shanghai) Co. Ltd ("Weixin"), a company controlled by David Lin, sought a court order for the shares in Wuxi Co to be transferred to Weixin. The Shanghai Courts have rendered a judgement and appeal judgement in favour of Weixin.

In 2018, OUELH commenced arbitration proceedings in Singapore against David Lin. The substantive evidential hearing for the proceedings concluded in 2018. The Tribunal issued the final arbitration award against David Lin on 7 January 2019. OUELH has obtained a Singapore judgement in terms of the arbitration award on 28 November 2019.

In 2019, OUELH commenced recognition and enforcement proceedings in Hong Kong, Taiwan and Shanghai against David Lin to enforce the said award. As at 31 December 2020, OUELH has obtained permission to enforce the award in Hong Kong, Taiwan and Shanghai.

As at 31 December 2020, OUELH continues to hold a charging order absolute over David Lin's shares in Healthcare Solution Investment Limited and Hong Kong Life Sciences and Technologies Group Limited. OUELH has also obtained an order to appoint receivers over David Lin's interest in the Healthcare Solution Investment Limited shares. Healthcare Solution Investment Limited is the sole shareholder of Weixin.

In 2018, Weixin commenced proceedings against Wuxi Yilin Real Estate Development Co Ltd ("Wuxi Yilin Real Estate"), a subsidiary of OUELH Group, for the return of 20 Chang Jiang North Road (i.e. the land on which the Wuxi New District Phoenix Hospital is situated) (the "Land Litigation"). In 2019, the Wuxi Xinwu District Court dismissed Weixin's application. Weixin has appealed to the Wuxi Intermediate District Court.

In 2020, Weixin (which is now under the control of the receivers of Healthcare Solution Investment Limited) applied to withdraw the Land Litigation appeal, and commenced proceedings against David Lin and Chiang Hui-Hua for the return of inter alia Weixin's business license and company stamp on the basis that Chiang Hui-Hua is no longer the legal representative of Weixin (the "Weixin Control Dispute"). The Shanghai Pudong Court issued a decision in favour of Weixin in the Weixin Control Dispute. David Lin has appealed against the Shanghai Pudong Court's decision. On 15 March 2021, the Shanghai First Intermediate Court has dismissed David Lin's appeal, with costs to be borne by David Lin. The court noted that the board of directors of Healthcare Solution Investment Limited had passed a valid board resolution to remove Chiang Hui-Hua as Weixin's legal representative, executive director and general manager. As such, Chiang Hui-Hua no longer had the legal right since 27 November 2019 to retain Weixin's business license and company stamp.

On 18 March 2021, the Wuxi Intermediate Court has issued a judgment accepting Weixin's application to withdraw the Land Litigation appeal. The effect of the withdrawal of the Land Litigation appeal is that the decision of the Wuxi Xinwu District Court is final and binding on all parties. In that judgment, the Court found that the land transfer agreement between Wuxi Yilin Real Estate and Wuxi Co. dated 15 January 2015, in relation to the Wuxi land at 20 Chang Jiang North Road, is legitimate and binding on all parties. Thus, the Company's subsidiary, Wuxi Yilin Real Estate, is the rightful and legal owner of the Wuxi land, and there are currently no pending legal challenges in relation to the ownership of Wuxi land.

As at 31 December 2020, OUELH was informed by its PRC counsel that the Shanghai No.1 Court has received approximately RMB3.25 million (approximately \$662,000) as part of the Shanghai enforcement proceedings. OUELH's Taiwan counsel has also received the sum of NTD14,991,033 being the deposit and trust assets held by the David Lin in his bank accounts. In March 2021, OUELH received a sum of NTD14,991,033 (approximately \$710,000), being the deposit and trust assets held by the David Lin in his bank accounts.

In 2018, Wuxi Yilin Health Management Co Ltd (“Wuxi Yilin Health”), a subsidiary of OUELH Group, commenced proceedings against David Lin for damages in relation to the breaches of his duties to Wuxi Yilin Health. In 2019, the Wuxi Intermediate Court dismissed Wuxi Yilin Health’s claim against David Lin. Wuxi Yilin Health has appealed against the Wuxi Intermediate Court’s decision. A hearing date for the appeal has been fixed on 12 April 2021.

In 2018, Health Kind Shanghai commenced proceedings against David Lin for breaches of his duties to Health Kind Shanghai and for the return of 100% of the shares in Wuxi Co. In 2019, the Shanghai No. 1 Intermediate Court dismissed Health Kind Shanghai’s claim. Health Kind Shanghai has appealed against the decision. On 27 November 2020, the Shanghai High Court dismissed Health Kind Shanghai’s appeal.

In 2018, Wuxi Yilin Real Estate commenced legal proceedings against Wuxi Co for outstanding rental under a Tenancy Agreement dated 7 February 2015 in relation to the property at 20 Chang Jiang North Road and an equipment rental agreement dated 15 January 2015. As at 31 December 2020, the proceedings have been withdrawn due to the internal Court timelines.

In accordance with paragraph 92 of SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*, details of the provisions made for each litigation case were not disclosed in order not to prejudice OUELH Group’s legal position in the proceedings.

38 Commitments

Capital commitments

Other than as disclosed elsewhere in the financial statements, the Group has the following capital commitments:

	Group	
	2020	2019
	\$’000	\$’000
Property, plant and equipment	7,366	1,575
Investment properties	8,906	9,144
	8,906	9,144

39 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risks, and the Group’s management of capital.

Risk management framework

The Board of Directors reviews and agrees policies, procedures and limits of authority for the management of the above risks. In setting the financial risk policies and procedures framework, the Board of Directors endeavours to strike a balance between costs of risks occurring and the costs of managing the risks. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee provides independent oversight on the effectiveness of the risk management policies, procedures and processes through review of the Group's exposure to financial risks on half-yearly basis and independent internal audit reporting.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's and the Company's receivables from customers, debt investments, and the Company's loans and non-trade amounts due from subsidiaries. Rental deposits are received, where appropriate, to reduce credit risk.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk.

Trade and other receivables, other assets, and loans to subsidiaries

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables, other assets (excluding promissory notes and prepayments), and loans to subsidiaries at the reporting date by geographic region was:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
By geographical areas				
Singapore	48,052	102,449	1,829,388	2,366,790
United States of America	1,809	2,542	3,650	18,310
Indonesia	35,550	16,215	–	420
The PRC	1,607	2,605	–	7
Others	2,642	1,688	466,370	621,031
	89,660	125,499	2,299,408	3,006,558

There is no concentration of customer risk at the Group and Company level, other than balances with related parties.

Expected credit loss assessment

The Group uses an allowance matrix to measure the ECLs for trade receivables. In measuring ECLs, trade receivables are grouped based on similar credit risk characteristics and days past due. Loss rates are based on actual credit loss experience over the past 3 – 5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The exposure to credit risk and ECLs for trade receivables as at 31 December 2020 and 31 December 2019 is insignificant.

For other receivables, other assets and loan to subsidiaries, the Group and the Company assess on a forward-looking basis the expected credit loss associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables, other assets (excluding promissory notes and prepayments), and loans to subsidiaries:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Not past due	88,923	92,422	2,667,890	3,170,448
Past due 1 – 30 days	3,345	5,115	3,549	4,558
Past due 31 – 60 days	1,975	1,089	3,301	2,668
Past due over 60 days	7,826*	37,152*	29,706	19,457
	102,069	135,778	2,704,446	3,197,131
Less: Impairment loss	(12,409)	(10,279)	(405,038)	(190,573)
	89,660	125,499	2,299,408	3,006,558

* Included amounts due from Crest entities (note 13(ii) and 37(a)).

Movements in impairment loss in respect of trade and other receivables, other assets (excluding promissory notes and prepayments) and loans to subsidiaries

The movement in the impairment loss in respect of trade receivables (note 13) was as follows:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
At 1 January	822	1,045	773	770
Impairment loss recognised	2,169	6	416	11
Utilised during the year	(193)	(128)	–	(8)
Effects of movements in exchange rates	155	(101)	–	–
At 31 December	<u>2,953</u>	<u>822</u>	<u>1,189</u>	<u>773</u>

The movement in the impairment loss in respect of other receivables (note 13) and other assets (note 17) (excluding promissory notes and prepayments) was as follows:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
At 1 January	9,457	1	6,700	8,100
Impairment loss recognised/(reversed)	–	9,456	34,794	(1,400)
Utilised during the year	(1)	–	–	–
At 31 December	<u>9,456</u>	<u>9,457</u>	<u>41,494</u>	<u>6,700</u>

The movement in the impairment loss in respect of loans to subsidiaries was as follows:

	Note	Company	
		2020	2019
		\$'000	\$'000
At 1 January		183,100	127,377
Impairment loss recognised		179,255	56,274
Effects of movements in exchange rates		–	(551)
At 31 December	20	<u>362,355</u>	<u>183,100</u>

Derivatives

Derivatives are entered into with bank and financial institution counterparties with sound credit ratings.

Debt investments

The Group limits its exposure to credit risk on investments held by investing only with counterparties that are of acceptable credit quality.

The exposure to credit risk for debt investments at the reporting date by geographic region was as follows:

	Group	
	2020	2019
	\$'000	\$'000
Singapore	4,971	19,830
Indonesia	13,047	13,464
	18,018	33,294

There is no impairment recognised on the debt investments as at 31 December 2020 and the ECLs is not material.

Cash and cash equivalents

Cash and cash equivalents held by the Group and Company of \$559,527,000 and \$302,592,000 respectively as at 31 December 2020 (2019: \$477,712,000 and \$195,805,000) represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposure. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance of impairment on cash and cash equivalents was negligible.

Guarantees

The Company provides financial guarantees to subsidiaries, where appropriate. The maximum exposure of the Company in respect of the intra-group financial guarantees is disclosed in note 25.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group 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 liquidity management, the Group maintains sufficient level of cash and cash equivalents, and instruments that are readily convertible into cash. The Group also strives to maintain available credit facilities at a reasonable level to its overall debt position.

The Group has contractual commitments to incur capital expenditure with regard to its property, plant and equipment and investment properties, and capital commitments for financial assets designated at FVOCI.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Group	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
31 December 2020					
Non-derivative financial liabilities					
Trade and other payables	176,137	(176,137)	(137,845)	(30,585)	(7,707)
Lease liabilities	26,369	(62,545)	(1,359)	(4,519)	(56,667)
Borrowings*	3,330,677	(3,505,609)	(678,632)	(2,826,977)	–
Convertible bonds	145,448	(154,639)	(2,134)	(152,505)	–
	3,678,631	(3,898,930)	(819,970)	(3,014,586)	(64,374)
Derivative financial instruments					
<i>Derivative liabilities</i>					
Interest rate swaps used for hedging (net-settled)	40,980	(40,063)	(24,392)	(15,671)	–
Capital commitments for financial assets designated at FVOCI	–	(6,446)	(6,446)	–	–
	3,719,611	(3,945,439)	(850,808)	(3,030,257)	(64,374)

* Excluding convertible bonds

Group	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
31 December 2019					
Non-derivative financial liabilities					
Trade and other payables	260,388	(260,388)	(203,723)	(48,211)	(8,454)
Lease liabilities	26,104	(63,123)	(1,405)	(4,051)	(57,667)
Borrowings*	3,836,016	(4,015,305)	(1,691,432)	(2,323,873)	–
Convertible bonds	153,607	(170,548)	(2,321)	(168,227)	–
	4,276,115	(4,509,364)	(1,898,881)	(2,544,362)	(66,121)
Derivative financial instruments					
<i>Derivative liabilities</i>					
Interest rate swaps (net-settled)	17,311	(17,224)	(9,400)	(7,824)	–
Capital commitments for financial assets designated at FVOCI	–	(12,322)	(12,322)	–	–
	4,293,426	(4,538,910)	(1,920,603)	(2,552,186)	(66,121)

* Excluding convertible bonds

Company	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
31 December 2020					
Non-derivative financial liabilities					
Trade and other payables	122,111	(122,111)	(122,095)	(16)	-
Lease liabilities	722,130	(1,021,720)	(48,130)	(183,187)	(790,403)
Borrowings*	49,485	(52,936)	(1,102)	(51,834)	-
Convertible bonds	145,448	(154,639)	(2,134)	(152,505)	-
Loan from a subsidiary	281,285	(292,537)	(292,537)	-	-
	1,320,459	(1,643,943)	(465,998)	(387,542)	(790,403)
31 December 2019					
Non-derivative financial liabilities					
Trade and other payables	166,565	(166,565)	(166,155)	(410)	-
Lease liabilities	737,691	(1,060,629)	(45,057)	(180,169)	(835,403)
Borrowings*	299,840	(303,270)	(303,270)	-	-
Convertible bonds	153,607	(170,548)	(2,321)	(168,227)	-
Loan from a subsidiary	283,763	(295,114)	(295,114)	-	-
	1,641,466	(1,996,126)	(811,917)	(348,806)	(835,403)

* Excluding convertible bonds

The maturity analyses show the undiscounted cash flows of the financial liabilities of the Group and the Company on the basis of their earliest possible contractual maturity. It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

All the interest rate swaps are designated as cash flow hedges. The table above reflects the periods in which the cash flows associated with cash flow hedges are expected to occur and to impact profit or loss.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Foreign currency risk arises from transactions denominated or settled in foreign currencies, other assets and translation of net assets of investments in foreign subsidiaries and associates.

The Group is exposed to foreign currency risk mainly arising from sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk include United States Dollars (“USD”) and Indonesia Rupiah (“IDR”). Currency exposure to the net assets of the Group’s subsidiaries are mainly to those in the United States of America and Indonesia (2019: United States of America and Indonesia).

The Group management monitors the Group’s foreign currency risk exposure and when appropriate, uses financial derivatives such as currency forward contracts and cross currency swaps to hedge such exposure, only to the extent that the foreign currency exposure relates to monetary items. The Group does not hedge foreign currency exposure arising from (i) non-monetary items; and (ii) translation of Group’s entities financial statements.

Exposure to currency risk

The Group’s exposure to currency risk (expressed in Singapore Dollar (“SGD”) equivalent) is as follows:

	Group	
	USD \$’000	IDR \$’000
31 December 2020		
Cash and cash equivalents	96,786	–
Trade and other receivables	83,003	–
Other investments	118,986	61,352
Other assets	–	12,313
	298,775	73,665
31 December 2019		
Cash and cash equivalents	9,469	–
Trade and other receivables	73,635	–
Other investments	105,177	57,093
Other assets	13,447	–
	201,728	57,093

The Company's exposure to currency risk (expressed in SGD equivalent) is as follows:

	Company	
	2020	2019
	USD \$'000	USD \$'000
Cash and cash equivalents	93,470	221
Due from subsidiaries	1,607	4,691
Loans to subsidiaries	101,424	329,493
	196,501	334,405

Sensitivity analysis

A reasonably possible strengthening of the respective foreign currencies, as indicated below, against SGD at 31 December would have increased profit or loss and equity (excluding tax effects) by the amounts shown below. A similar weakening would have the equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000	Equity \$'000
2020				
USD (2% strengthening)	4,340	1,635	3,930	–
IDR (3% strengthening)	1,214	996	–	–
	1,214	996	–	–
2019				
USD (1% strengthening)	1,523	494	3,344	–
IDR (3% strengthening)	647	1,066	–	–
	647	1,066	–	–

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the cash balances, loans to/from subsidiaries and associates and borrowings.

The Group manages its interest rate exposure by borrowing a mix of fixed and variable rate borrowings, and also uses interest rate swaps as cash flow hedges of future interest payments, whenever it is appropriate.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (“IBORs”) with alternative nearly risk-free rates (referred to as “IBOR reform”). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that the IBOR reform will impact its risk management and hedge accounting.

The Group monitors and manages transition to alternative rates, and evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

Derivatives

The Group holds interest rate swaps for risk management purposes which are designated in cash flow hedging relationships. The interest rate swaps have floating legs that are indexed to Singapore swap offer rate (“SOR”). The Group’s derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (“ISDA”)’s master agreements. ISDA is currently reviewing its standardised contracts in the light of IBOR reform. When ISDA has completed its review, the Group expects to negotiate the inclusion of new fall-back clauses with its derivative counterparties. No derivative instruments have been modified as at 31 December 2020.

Hedge accounting

The Group has evaluated the extent to which its cash flow hedging relationships are subject to uncertainty driven by the IBOR reform as at 31 December 2020. The Group’s hedged items and hedging instruments continue to be indexed to IBOR benchmark rates which are SOR. These benchmark rates are quoted each day and the IBOR cash flows are exchanged with its counterparties as usual.

The Group’s SOR cash flow hedging relationships extend beyond the anticipated cessation date for IBOR. However, there is uncertainty about when and how replacement may occur with respect to the relevant hedged items and hedging instruments. Such uncertainty may impact the hedging relationship. The Group applies the amendments to FRS 109 issued in December 2019 to those hedging relationships directly affected by IBOR reform and assumes that the cash flows of the hedged item and hedging instrument will not be materially altered as a result of the IBOR reform.

Hedging relationships impacted by IBOR reform may experience ineffectiveness attributable to market participants’ expectations of when the shift from the existing IBOR benchmark rate to an alternative benchmark interest rate will occur. This transition may occur at different times for the hedged item and hedging instrument, which may lead to hedge ineffectiveness. The Group has measured its hedging instruments indexed to Singapore-dollar SOR using available quoted market rates for SOR-based instruments of the same tenor and similar maturity and has measured the cumulative change in the present value of hedged cash flows attributable to changes in SOR on a similar basis.

The Group's exposure to Singapore-dollar SOR designated in hedging relationships is \$1,735,000,000 (2019: \$1,855,000,000) nominal amount at 31 December 2020, representing both the nominal amount of the hedging interest rate swap and the principal amount of the Group's hedged SGD-denominated secured bank loan liabilities maturing in 2021 to 2024 (2019: 2020 to 2024).

The Group is actively engaging with lenders to include appropriate fall-back provisions in its floating-rate liabilities with maturities after 2021. The Group expects that the hedging instruments will be modified as outlined under "Derivatives" above.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to management, was as follows:

	Group		Company	
	Notional amount		Notional amount	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments				
Cash and cash equivalents*	46,828	39,622	–	–
Loans to subsidiaries	–	–	1,258,103	1,268,198
Borrowings	(642,250)	(1,004,750)	(142,250)	(454,750)
Loan from a subsidiary	–	–	(281,285)	(283,763)
Loan to a related company	10,000	10,000	–	–
Interest rate swaps	(1,735,000)	(1,855,000)	–	–
	<u>(2,320,422)</u>	<u>(2,810,128)</u>	<u>834,568</u>	<u>529,685</u>
Variable rate instruments				
Cash and cash equivalents*	138,688	77,883	100,789	40,000
Other investments	4,971	19,830	–	–
Loans to subsidiaries	–	–	–	92,872
Borrowings	(2,855,303)	(3,002,990)	(50,000)	–
Interest rate swaps	1,735,000	1,855,000	–	–
	<u>(976,644)</u>	<u>(1,050,277)</u>	<u>50,789</u>	<u>132,872</u>

* Excluding cash at bank and on hand

All of the Group's and the Company's financial assets and liabilities at floating rates are repriced at intervals of 6 months or less.

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 50 (2019: 50) basis points (“bp”) in interest rates at the reporting date would have increased/(decreased) profit or loss (excluding tax effects) and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the effect of qualifying borrowing costs allowed for capitalisation.

	Profit or loss		Equity	
	50 bp increase \$'000	50 bp decrease \$'000	50 bp increase \$'000	50 bp decrease \$'000
2020				
Group				
Variable rate instruments	(13,558)	13,558	–	–
Interest rate swaps	8,675	(8,675)	1,177	(1,177)
	<u>(4,883)</u>	<u>4,883</u>	<u>1,177</u>	<u>(1,177)</u>
Company				
Variable rate instruments	254	(254)	–	–
2019				
Group				
Variable rate instruments	(14,526)	14,526	–	–
Interest rate swaps	9,091	(9,073)	1,227	(1,212)
	<u>(5,435)</u>	<u>5,453</u>	<u>1,227</u>	<u>(1,212)</u>
Company				
Variable rate instruments	664	(664)	–	–

Other market price risk

Market price risk is the risk that the fair value or future cash flows of the Group’s financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

Equity price risk arises from equity instruments at FVOCI as well as investments measured at FVTPL.

(a) FVOCI

The Group has investments in equity securities and interests in limited partnerships designated at FVOCI. The fair values of these investments are estimated based on the quoted market price of the investments; or adjusted net asset values of the investee entities.

If the quoted market price/adjusted net asset value of the investee entities were to increase/decrease by 10% (2019: 10%), the Group’s other comprehensive income (net of tax) and fair value reserve will increase/decrease by approximately \$11,118,000 (2019: \$8,397,000).

(b) FVTPL

The Group is exposed to price changes from its quoted equity investments and investments in mutual funds measured at FVTPL. If the fair value of these investments were to increase/decrease by 10% (2019: 10%) at the reporting date, profit before tax would increase/decrease by approximately \$6,097,000 (2019: \$7,676,000).

Hedge accounting

Cash flow and interest rate hedges

The Group held the following instruments to hedge exposures to changes in interest rates.

	Maturity	
	1-12 months	More than one year
Group		
2020		
Interest rate risk		
Interest rate swaps		
Net exposure (\$'000)	730,000	1,005,000
Average fixed interest rate	1.72% - 2.13%	0.64% - 2.17%
2019		
Interest rate risk		
Interest rate swaps		
Net exposure (\$'000)	470,000	1,385,000
Average fixed interest rate	1.59% - 1.93%	1.46% - 2.17%

The amounts at the reporting date relating to items designated as hedged items were as follows.

	Change in value used for calculating hedge ineffectiveness	Cash flow hedge reserve
	\$'000	\$'000
Group		
31 December 2020		
Interest rate risk		
Variable-rate instruments	9,786	(36,582)
31 December 2019		
Interest rate risk		
Variable-rate instruments	8,310	(11,928)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows.

Group	As at 31 December		During the period						
	Nominal amount \$'000	Carrying amount – assets \$'000	Carrying amount – liabilities \$'000	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI \$'000	Hedge ineffectiveness recognised in OCI profit or loss \$'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss \$'000	Line item in profit or loss affected by the reclassification
2020									
Interest rate risk									
Interest rate swaps	1,735,000	–	(40,980)	Derivative assets/liabilities	(46,004)	3,161	Finance income	20,441	Finance cost
2019									
Interest rate risk									
Interest rate swaps	1,855,000	–	(17,311)	Derivative assets/liabilities	(9,898)	2,726	Finance income	682	Finance cost

Capital management

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure so as to maximise shareholders' value. Capital consists of all components of equity, including NCIs.

The Group manages its capital structure and makes adjustments to it, in 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, issue new shares, and obtain new borrowings to leverage on lower cost of borrowings versus the Group's weighted average cost of capital or sell assets to reduce borrowings.

From time to time, the Group purchases its own shares on the market, the timing of these purchases depends on market prices, buy and sell decisions are made on a specific transaction basis by the management. The Group does not have a defined share buy-back plan.

Management monitors capital based on a set of financial ratios with the primary focus on gearing ratio. The net gearing ratio is calculated as net debt divided by net tangible assets. Net debt is calculated as borrowings less cash and cash equivalents. Net tangible assets is calculated as total equity less intangible assets and goodwill.

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Borrowings	3,476,125	3,989,623	194,933	453,447
Less: Cash and cash equivalents	(559,527)	(477,712)	(302,592)	(195,805)
	<u>2,916,598</u>	<u>3,511,911</u>	<u>(107,659)</u>	<u>257,642</u>
Net tangible assets	<u>5,626,200</u>	<u>6,075,487</u>	<u>2,743,619</u>	<u>3,052,397</u>
Net gearing ratio	<u>51.8%</u>	<u>57.8%</u>	<u>(3.9%)*</u>	<u>8.4%</u>

* The Company is in negative net gearing ratio as at 31 December 2020 as cash and cash equivalents is in excess of borrowings for the Company.

The Group has income derived from its investments in the PRC. The conversion of these RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange promulgated by the government of the PRC.

A subsidiary, OUE C-REIT and its subsidiaries ("OUE C-REIT Group"), is subject to the aggregate leverage limit as defined in the Property Funds Appendix of the Code on Collective Investment Schemes (the "CIS Code") issued by the MAS. The CIS Code stipulates that the total borrowings and deferred payments (together, the "Aggregate Leverage") of a property fund should not exceed 45.0% of its Deposited Property (as defined in the CIS Code).

On 16 April 2020, the MAS announced that the aggregate leverage limit for Singapore-listed real estate investment trusts (“S-REITs”) will be raised from 45% to 50% with immediate effect. In its public consultation last year, the MAS had proposed for S-REITs to have a new minimum interest coverage ratio (“ICR”) of 2.5 times before they are allowed to increase their leverage to beyond the prevailing 45% limit (up to 50%). However, the MAS has deferred the new ICR requirement to 1 January 2022 in light of the current COVID-19 pandemic situation.

The Aggregate Leverage of OUE C-REIT Group as at 31 December 2020 was 41.2% (2019: 40.3%) of its Deposited Property with an ICR of 2.7 times¹ (2019: 2.9 times). This complied with the Aggregate Leverage limit as described above.

Apart from that disclosed above, neither the Company nor its other subsidiaries are subject to externally imposed capital requirements.

¹ As defined in Appendix 6 of the CIS Code (“Property Funds Appendix”) (last revised on 16 April 2020). ICR for 31 December 2019 has been restated accordingly.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are set out below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Liabilities directly associated with the assets held for sale are not included in the table below (note 31). Their carrying amount is a reasonable approximation of fair value.

Group	Note	Carrying amount					Fair value				
		Amortised cost \$'000	Mandatorily at FVTPL \$'000	Designated at FVOCI \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2020											
Financial assets measured at fair value											
	15	-	60,972	-	-	-	60,972	18,730	42,242	-	60,972
	15	-	-	44,089	-	-	44,089	33,196	-	10,893	44,089
	15	-	-	86,639	-	-	86,639	-	-	86,639	86,639
		-	60,972	130,728	-	-	191,700				
Financial assets not measured at fair value											
	12	559,527	-	-	-	-	559,527				
	13	33,539	-	-	-	-	33,539				
	15	4,971	-	-	-	-	4,971				
	17	56,121	-	-	-	-	56,121				
		654,158	-	-	-	-	654,158				
Financial liabilities measured at fair value											
	28	-	-	-	(40,980)	-	(40,980)	-	(40,980)	-	(40,980)
Financial liabilities not measured at fair value											
	24	-	-	-	-	(137,844)	(137,844)	-	-	-	(137,844)
Borrowings:											
	25	-	-	-	-	(2,834,217)	(2,834,217)	-	-	-	(2,834,217)
	25	-	-	-	-	(641,908)	(641,908)	-	(650,873)	-	(650,873)
Other payables:											
	30	-	-	-	-	(37,550)	(37,550)	-	-	(35,305)	(35,305)
	30	-	-	-	-	(743)	(743)	-	-	(743)	(743)
		-	-	-	-	(3,652,262)	(3,652,262)	-	-	-	(3,652,262)

(1) Excluding promissory notes

(2) Excluding debt investment denominated in IDR

(3) Excluding prepayments

Group	Note	Carrying amount				Fair value				
		Amortised cost \$'000	Mandatorily at FVTPL \$'000	Designated at FVOCI \$'000	Fair value – hedging instruments \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2019										
Financial assets measured at fair value										
	15	-	76,755	-	-	-	32,526	44,229	-	76,755
	15	-	-	46,780	-	-	35,539	-	11,241	46,780
	15	-	-	54,391	-	-	-	-	54,391	54,391
		-	76,755	101,171	-	-	-	-	-	177,926
Financial assets not measured at fair value										
	12	477,712	-	-	-	-	-	-	-	477,712
	13	65,499	-	-	-	-	-	-	-	65,499
	15	19,830	-	-	-	-	-	-	-	19,830
	17	60,000	-	-	-	-	-	-	-	60,000
		623,041	-	-	-	-	-	-	-	623,041
Financial liabilities measured at fair value										
	28	-	-	-	(17,311)	-	-	(17,311)	-	(17,311)
Financial liabilities not measured at fair value										
	24	-	-	-	-	(203,723)	-	-	-	(203,723)
Borrowings:										
	25	-	-	-	-	(2,988,443)	-	-	-	(2,988,443)
	25	-	-	-	-	(1,001,180)	-	(1,008,480)	-	(1,008,480)
Other payables:										
	30	-	-	-	-	(55,697)	-	-	(52,984)	(52,984)
	30	-	-	-	-	(968)	-	-	(968)	(968)
		-	-	-	-	(4,250,011)	-	-	-	(4,250,011)

(1) Excluding promissory notes

(2) Excluding debt investment denominated in IDR

(3) Excluding prepayments

	Note	Carrying amount		Fair value				
		Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company								
31 December 2020								
Financial assets not measured at fair value								
Cash and cash equivalents	12	302,592	-	302,592				
Trade and other receivables	13	1,020,071	-	1,020,071				
Other assets ⁽¹⁾	17	6,205	-	6,205				
Loans to subsidiaries	20	1,273,132	-	1,273,132				
		2,602,000	-	2,602,000				
Financial liabilities not measured at fair value								
Loan from a subsidiary	20	-	(281,285)	(281,285)				
Trade and other payables	24	-	(122,095)	(122,095)				
Borrowings:								
- Loans and other borrowings	25	-	(49,485)	(49,485)				
- Convertible bonds	25	-	(145,448)	(145,448)	-	(145,924)	-	(145,924)
Other payables	30	-	(16)	(16)	-	-	(15)	(15)
		-	(598,329)	(598,329)				

⁽¹⁾ Excluding prepayments

	Note	Carrying amount		Fair value				
		Amortised cost \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Company								
31 December 2019								
Financial assets not measured at fair value								
Cash and cash equivalents	12	195,805	–	195,805				
Trade and other receivables	13	1,098,183	–	1,098,183				
Other assets ⁽¹⁾	17	3,122	–	3,122				
Loans to subsidiaries	20	1,905,253	–	1,905,253				
		3,202,363	–	3,202,363				
Financial liabilities not measured at fair value								
Loan from a subsidiary	20	–	(283,763)	(283,763)				
Trade and other payables	24	–	(166,155)	(166,155)				
Borrowings:								
- Convertible bonds	25	–	(453,447)	(453,447)	–	(455,095)	–	(455,095)
Other payables	30	–	(410)	(410)	–	–	(396)	(396)
		–	(903,775)	(903,775)				

⁽¹⁾ Excluding prepayments

(i) **Valuation techniques and significant unobservable inputs**

The following table shows the valuation techniques used in measuring Level 2 and 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Group			
Equity investments – FVOCI Interests in limited partnerships – FVOCI	The fair value is calculated using the quoted market price; or adjusted net asset values of the investee entities adjusted for the fair value of the underlying properties, where applicable. A discount is applied to take into consideration of the lack of marketability of the investment, where appropriate.	Net asset values	An increase/decrease in the net asset values would result in a higher/lower fair value measurement.
Other investments – FVTPL	The fair value is calculated using the adjusted net asset value of the investee entity, where the net assets comprise mainly of marketable securities traded in active markets.	N/A	N/A
Derivatives	The fair values are based on broker quotes.	N/A	N/A

Financial instruments not measured at fair value

Type	Valuation technique
Group and Company	
Borrowings – convertible bonds and unsecured notes	Market quoted prices
Other investments – debt investments	Discounted cash flows
Other payables – rental deposits	Discounted cash flows

(ii) Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values in respect of financial assets measured at fair value:

	Group		Company
	2020	2019	2019
	\$'000	\$'000	\$'000
Equity investments and interests in limited partnerships – FVOCI			
At 1 January	65,632	191,190	154,040
Purchases	7,875	23,781	–
Disposals	–	(200,000)	(200,000)
Net change in fair value recognised in other comprehensive income	24,469	50,713	45,960
Effect of movements in exchange rates	(444)	(52)	–
At 31 December	97,532	65,632	–

40 Related parties

Key management personnel remuneration

Key management personnel remuneration comprised:

	Group	
	2020	2019
	\$'000	\$'000
Short-term employee benefits	1,005	5,692
Post-employment benefits (including contributions to defined contribution plans)	11	21
	1,016	5,713

Key management personnel and director transactions

The aggregate value of transactions with key management personnel and entities over which they have control or joint control were as follows:

	Group	
	Transaction value for the year	
	2020	2019
	\$'000	\$'000
Sale of a property	–	95,000
	–	95,000

In 2019, the Group sold a residential property at 26A Nassim Road to Dr. Stephen Riady. The sale price was arrived at after taking into account various factors, including independent valuation reports and was fully paid in 2019.

The terms and conditions of the transaction with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel-related entities on an arm's length basis

Other related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the year on terms agreed between the parties. Other related parties comprise mainly entities which are controlled or jointly-controlled by the Group's key management personnel and their close family members.

	Group	
	Transaction value	
	for the year	
	2020	2019
	\$'000	\$'000
Associates and joint ventures		
Rental and rental related income	170	530
Management fees earned	9,402	16,854
Lease payments	–	15,391
	–	15,391
Other related parties		
Rental and rental related income	1,774	1,584
Hotel services income	29	384
Management fees earned	128	–
Royalty fee income	145	–
Professional fees paid/payable	–	100
Reimbursement of expenses paid on behalf	590	61
	590	61

The Company made loans and advances to subsidiaries, associates and joint ventures as disclosed in notes 13, 19 and 20 of the financial statements. None of the outstanding balances with the related parties is secured.

41 Operating segments

The Group has six strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. The Group's executive committee (the chief operating decision makers) review internal management reports of each division at least quarterly. The executive committee comprises the Chief Executive Officer, the Chief Operating Officer, and the department heads of each business segment.

The following summary describes the operations in each of the Group's reportable segments:

- (i) Property investments (Singapore, United States of America and the PRC) – rental of investment properties owned by the Group and management of real estate investment trusts.
- (ii) Hospitality (Singapore and Others) – operation of hotels and hotel management in the respective countries.
- (iii) Property development (Singapore) – sale of residential properties and other properties under development.
- (iv) Healthcare – operation of investment holding, development of medical real estate, healthcare-related assets and integrated mixed-use developments and provision of healthcare services and management of healthcare investments trusts.
- (v) Consumer – operation of food and beverage outlets.
- (vi) Investment holding

Other operations include mainly investment trading operations and do not meet any of the quantitative thresholds for determining reportable segments in 2020 and 2019.

The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the statement of comprehensive income.

Information regarding the results of each reportable segment is included below. The executive committee assesses the performance of the operating segments based on a measure of profit before interest, tax and other gains/(losses), as included in the internal management reports that are reviewed by the executive committee.

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	Property investments				Hospitality			Investment holding \$'000	Segment total \$'000	Elimination and unallocated items \$'000	Total \$'000	
	Singapore \$'000	United States of America \$'000	PRC \$'000	Singapore \$'000	Others \$'000	Property development \$'000	Healthcare \$'000					Consumer \$'000
2020												
Revenue	199,646	39,119	26,012	85,486	11	140,176	29,437	10,329	39	530,255	200	530,455
Inter-segment revenue	311	958	—	5,267	—	—	13	391	14	6,954	(6,954)	—
Segment revenue (including inter-segment revenue)	199,957	40,077	26,012	90,753	11	140,176	29,450	10,720	53	537,209	(6,754)	530,455
Segment profit/(loss)¹	130,839	5,831	20,555	(7,987)	(627)	17,874	(66,176)	(13,368)	189,251	276,192	(29,538)	246,654
Depreciation of property, plant and equipment	(1,001)	(23)	(39)	(42,511)	(4)	—	(1,003)	(2,534)	(5)	(47,120)	(1,710)	(48,830)
Finance expenses	(85,692)	(14,351)	(1,084)	(276)	(17)	(331)	(9,307)	(1,775)	(33,117)	(145,950)	11,550	(134,400)
Finance income	3,388	13	729	51	—	103	296	14	11,949	16,543	(8,974)	7,569
Share of results of equity-accounted investees, net of tax	—	—	—	—	—	—	(72,052)	863	190,473	119,284	—	119,284
Other material items												
Reversal of impairment loss on a loan to an equity-accounted investee	—	—	—	—	—	—	—	—	—	—	16,207	16,207
Net change in fair value of investment properties	(63,373)	(298,934)	(54,696)	—	—	—	(20,161)	—	1,734	(435,430)	—	(435,430)
Net change in fair value of investments designated at FVTPL	—	—	—	—	—	—	—	—	—	—	(40,867)	(40,867)
Impairment loss on interests in equity-accounted investees	—	—	—	—	(1,438)	—	(4,135)	—	—	(5,573)	—	(5,573)
Impairment loss on intangible assets and goodwill	—	—	—	—	—	—	(11,002)	—	—	(11,002)	—	(11,002)
Impairment loss on property, plant and equipment	—	—	—	(53,192)	—	—	(32,889)	(2,651)	—	(88,732)	—	(88,732)
31 December 2020												
Reportable segment assets ²	4,832,041	18,501	599,311	1,657,337	553	33,365	539,655	10,604	362,589	8,053,956	505,076	8,559,032
Interests in equity-accounted investees	—	—	—	—	—	—	159,743	12,673	891,918	1,064,334	—	1,064,334
Reportable segment liabilities	2,843,916	2,132	52,682	17,081	162	5,550	241,001	1,794	446	3,164,764	801,788	3,966,552
Capital expenditure	11,159	3,094	626	4,493	—	—	8,652	846	136,978	165,848	1,304	167,152

¹ Segment profit/(loss) is defined as profit/(loss) before interest, tax and other gains/(losses)

² Excluding interests in equity-accounted investees

QUE Limited and its Subsidiaries
Financial statements
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	Property investments			Hospitality			Investment holding \$'000	Segment total \$'000	Elimination and unallocated items \$'000	Total \$'000
	Singapore \$'000	United States of America \$'000	The PRC \$'000	Singapore \$'000	Others \$'000	Property development \$'000				
2019										
Revenue	199,663	57,323	30,621	238,600	2,605	349,611	30,993	20,983	438	930,837
Inter-segment revenue	47,292	4,060	—	708	—	—	—	41	(52,101)	—
Segment revenue (including inter-segment revenue)	246,955	61,383	30,621	239,308	2,605	349,611	30,993	21,024	(51,663)	930,837
Segment profit/(loss)¹	192,855	22,182	25,273	38,090	2,224	16,674	18,628	(6,669)	(115,023)	330,295
Depreciation of property, plant and equipment	(672)	(12)	(41)	(44,405)	(6)	—	(1,990)	(2,073)	(1,879)	(51,078)
Finance expenses	(71,252)	(23,127)	(1,280)	(23,633)	(18)	(4,271)	(10,311)	(1,140)	(258)	(170,051)
Finance income	2,529	155	813	141	—	173	232	2,170	(9,899)	12,177
Share of results of equity-accounted investees, net of tax	18,939	—	—	1,384	(34)	—	3,403	155	28	170,678
Other material items										
Net change in fair value of investment properties	(16,969)	1,751	(100)	—	—	—	(479)	—	—	(15,797)
Net change in fair value of investments designated at FVTPL	—	—	—	—	—	—	—	—	(5,449)	(5,449)
Gain on disposal of interests in equity-accounted investees	—	—	—	—	—	—	—	—	136,582	136,582
Impairment loss on interests in equity-accounted investees	—	—	—	—	—	—	—	—	—	—
Gain on derecognition of right-of-use assets and lease liabilities	—	—	—	75,439	—	—	—	—	(9,024)	(9,024)
Gain on derecognition of other liabilities	—	—	—	15,461	—	—	—	—	—	75,439
	—	—	—	—	—	—	—	—	15,461	15,461
31 December 2019										
Reportable segment assets ²	4,898,645	901,535	609,731	1,775,109	1,997	174,310	604,956	24,101	417,752	9,812,886
Interests in equity-accounted investees	—	—	—	—	1,089	—	208,302	8,677	—	921,614
Reportable segment liabilities	2,831,292	267,095	48,574	26,410	182	76,433	226,869	6,748	1,133,491	4,617,355
Capital expenditure	9,598	—	197	5,240	—	—	3,464	8,546	2,274	29,335

¹ Segment profit/(loss) is defined as profit/(loss) before interest, tax and other gains/(losses)

² Excluding interests in equity-accounted investees

Reconciliation of reportable segment revenue and profit/(loss) before interest and tax

	2020	2019
	\$'000	\$'000
Revenue		
Total revenue for reportable segments	537,209	982,500
Unallocated amounts	200	438
Elimination of inter-segment revenue	<u>(6,954)</u>	<u>(52,101)</u>
Consolidated total revenue	<u>530,455</u>	<u>930,837</u>
Profit or loss		
Total profit or loss before interest, tax and other gains/(losses) for reportable segments	276,192	445,318
Elimination of inter-segment profits	(4)	(32,412)
Finance expenses	(134,400)	(170,051)
Finance income	7,569	12,177
Other (losses)/gains – net	(565,096)	197,279
Unallocated corporate expenses	<u>(29,534)</u>	<u>(82,611)</u>
Consolidated (loss)/profit before tax	<u>(445,273)</u>	<u>369,700</u>

Reconciliations of reportable segment assets and liabilities

	2020	2019
	\$'000	\$'000
Assets		
Total assets for reportable segments	8,053,956	9,395,134
Interests in equity-accounted investees	<u>1,064,334</u>	<u>921,614</u>
	9,118,290	10,316,748
Elimination of inter-segment balances	(209)	(1,792)
Other unallocated amounts:		
- Property, plant and equipment	7,365	7,711
- Cash and cash equivalents	302,193	193,330
- Trade and other receivables	58	26
- Other investments	180,903	181,544
- Other assets	14,273	25,828
- Deferred tax assets	<u>493</u>	<u>11,105</u>
Consolidated total assets	<u>9,623,366</u>	<u>10,734,500</u>
Liabilities		
Total liabilities for reportable segments	3,164,764	3,483,864
Other unallocated amounts:		
- Borrowings	593,604	851,337
- Trade and other payables	15,007	22,618
- Current tax liabilities	43,898	37,019
- Deferred tax liabilities	148,230	222,517
- Deferred income	<u>1,049</u>	<u>–</u>
Consolidated total liabilities	<u>3,966,552</u>	<u>4,617,355</u>

Geographical information

	Revenue		Non-current assets *	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Singapore	442,324	803,736	5,296,268	6,749,989
The PRC	28,463	33,551	1,519,782	1,337,500
United States of America	42,128	74,226	7	889,819
Japan	17,526	16,983	308,872	299,892
Others	14	2,341	205,233	88,842
	<u>530,455</u>	<u>930,837</u>	<u>7,330,162</u>	<u>9,366,042</u>

* Non-current assets relate to the carrying amounts of investments in equity-accounted investees, investment properties, property, plant and equipment, intangible assets and goodwill.

There is no single external customer who contributes more than 10% of the Group's revenue during the years ended 31 December 2020 and 2019.

42 Acquisition of subsidiaries

Financial year ended 31 December 2019

Acquisition of OUE H-TRUST

On 4 September 2019, the Group's subsidiary, OUE C-REIT completed its merger with OUE H-TRUST by way of a trust scheme of arrangement. OUE H-TRUST owns a portfolio of three properties.

The purchase consideration of \$1,342,426,000 was settled by a cash consideration of \$74,754,000 and issuance of 2,491,774,895 new units in OUE C-REIT, amounting to \$1,267,672,000, which was the fair value of the net assets of OUE H-TRUST at the date of acquisition less the cash consideration. The Merger was accounted for as an asset acquisition.

Following the completion of the Merger on 4 September 2019, OUE H-TRUST ceased to be an associate and was consolidated as a subsidiary of the Group via the Group's interest in OUE C-REIT.

The fair value of identifiable assets and liabilities of OUE H-TRUST as at 3 September 2019 (the Merger date) and the cashflow effect of the Merger were:

	Note	2019 \$'000
Investment property	21	494,067
Property, plant and equipment – Leasehold land and building	22	1,724,505
Property, plant and equipment – Right-of-use assets	22	26,774
Trade and other receivables		17,383
Cash and cash equivalents		31,674
Borrowings		(870,018)
Trade and other payables		(52,926)
Lease liabilities		(26,373)
Current tax liabilities		(800)
Derivatives		(1,860)
Total identifiable net assets at fair value		1,342,426

Effect of the acquisition on cash flows

Purchase consideration		1,342,426
Less:		
– Cash at bank of subsidiaries acquired		(31,674)
– NCI based on their proportionate interest in the recognised amount of the assets and liabilities		(861,723)
– Carrying amount of interest in OUE H-TRUST on 3 September 2019		(429,819)
Net cash outflow on the Merger, net of cash acquired		19,210

Acquisition of First REIT Management Limited (“First REIT Manager”) (formerly known as Bowsprit Capital Corporation Limited)

On 26 October 2018 (the “acquisition date”), the Company together with its subsidiary, OUELH, completed the acquisition of 100% equity interests and voting rights in First REIT Manager for a total cash consideration of \$98,884,000. First REIT Manager’s principal activities relate to the provision of asset management and related advisory services, as well as business and management consultancy services. First REIT Manager is the manager of First REIT, a real estate investment trust that is listed on the mainboard of SGX-ST. The acquisition provided the Group with the opportunity to enhance its asset management platform.

In accordance with SFRS(I) 3 *Business Combinations*, the fair value of the identifiable assets and liabilities was determined provisionally for the acquisition in 2018. The Group engaged an external expert to perform a PPA exercise for the acquisition of equity interest in First REIT Manager and additional information was obtained as part of the process of finalising the PPA during the twelve month period allowed under SFRS(I) 3. This had resulted in certain aspects of the PPA being revised to reflect the finalisation of the allocation process in 2019.

The impact of these revisions on identifiable assets acquired, liabilities assumed and effect of cash flows are presented as follows:

	Note	As previously reported \$'000	Adjustments \$'000	Revised \$'000
Cash and cash equivalents		937	–	937
Trade and other receivables		6,542	–	6,542
Other assets		144	–	144
Intangible assets	18	35,776	1,032	36,808
Property, plant and equipment	22	77	–	77
Other investments		69,922	–	69,922
Trade and other payables		(733)	–	(733)
Current tax liabilities		(1,249)	–	(1,249)
Deferred tax liabilities	23	(6,081)	(175)	(6,256)
Total identifiable net assets acquired		105,335	857	106,192
Negative goodwill arising from acquisition		(5,451)	(857)	(6,308)
Transaction costs		(1,000)	–	(1,000)
Purchase consideration		98,884	–	98,884
Transaction costs paid		1,000	–	1,000
Less: Cash acquired		(937)	–	(937)
Net cash outflow		98,947	–	98,947

All the above fair value adjustments had been recognised in the statement of comprehensive income and statement of financial position in 2019.

43 Changes in ownership interests in subsidiaries without a change in control

2020

During the year, the Group received units in OUE C-REIT in return for management services provided to OUE C-REIT. Arising therefrom, the Group's interest in OUE C-REIT increased from 47.6% to 47.9%.

During the year, the Group acquired 700,000 OUELH shares from the open market at a consideration of \$30,000. Arising therefrom, the Group's interest in OUELH increased from 64.3% to 64.4%.

2019

In 2019, the Group received units in OUE C-REIT in return for management services provided to OUE C-REIT. OUE C-REIT also issued additional units arising from the Merger (note 42). Arising therefrom, the Group's interest in OUE C-REIT decreased from 56.1% to 47.6%.

The following summarises the effect of changes in the Group's ownership interest in OUE C-REIT and OUELH:

	OUE C-REIT	OUELH	Total
	\$'000	\$'000	\$'000
2020			
Decrease/(Increase) in equity attributable to non-controlling interests	3,070	(602)	2,468
Increase/(Decrease) in equity attributable to owners of the Company	3,070	(602)	2,468
2019			
Increase in equity attributable to non-controlling interests	(42,530)	–	(42,530)
Decrease in equity attributable to owners of the Company	(42,530)	–	(42,530)

44 Listing of entities in the Group

The following are the Group's significant subsidiaries and equity-accounted investees:

Name of company	Principal activities	Country of incorporation	% of paid-up capital held by			
			The Company		Subsidiaries	
			2020	2019	2020	2019
			%	%	%	%
Subsidiaries						
Alkas Realty Pte. Ltd.	Property investment	Singapore	–	–	100	100
Beringia Central LLC ^(a)	Property holding	Delaware, The United States of America	–	–	100	100
Cove Development Pte. Ltd.	Property development	Singapore	–	–	100	100
OUB Centre Limited	Property investment	Singapore	–	–	83.3 ^(b)	83.3 ^(b)
OUE Airport Hotel Pte. Ltd.	Hotel operation	Singapore	–	–	100	100
OUE Commercial Real Estate Investment Trust	Real estate investment trust	Singapore	14.7	14.8	33.2	32.8
OUE Lippo Healthcare Limited and its subsidiaries	Investment holding, development of medical real estate, healthcare-related assets and integrated mixed-use developments and provision of healthcare services	Singapore	–	–	64.4	64.3
OUE Reef Development Pte. Ltd.	Property development	Singapore	–	–	100	100
PT OUE Pengembangan Properti	Property investment	Indonesia	–	–	100	100

Name of company	Principal activities	Country of incorporation	% of paid-up capital held by			
			The Company		Subsidiaries	
			2020	2019	2020	2019
			%	%	%	%
Associates						
Gemdale Properties and Investments Corporation ^(c)	Property development, property investment, property management and micro-financing	Bermuda	–	–	23.0	27.8

All significant subsidiaries and equity-accounted investees are audited by KPMG LLP, Singapore except as indicated below.

- (a) Audited by member firms of KPMG International.
- (b) As at the reporting date, the Group consolidated the company via OUE C-REIT and owns an effective equity interest of 39.9% (2019: 39.7%) in the company.
- (c) Audited by Ernst & Young, Hong Kong.

45 Subsequent events

There were the following events subsequent to the reporting date:

- (i) On 6 January 2021, the Company cancelled 30,000,000 treasury shares amounting to \$58,463,000 from its share buy-back account maintained with the Central Depository (Pte) Limited. The number of treasury shares held after cancellation is 68,839,200.
- (ii) On 18 January 2021, OUE C-REIT has entered into a sale and contribution agreement on the proposed divestment of OUE Bayfront, OUE Tower, and OUE Link (the “Property”) through (i) the establishment of a limited liability partnership known as BPH Propco LLP (“BPH LLP”), with OUE C-REIT and Allianz Investor each holding a 50.0% interest in BPH LLP, and (ii) the proposed acquisition of the Property by BPH LLP (note 31).
- (iii) On 23 February 2021, the Company has through its wholly-owned subsidiary, Treasure International Holdings Pte. Ltd. (“TIHPL”) entered into a conversion agreement (the “Conversion Agreement”) with OUELH.

The Company had previously, through its two wholly-owned subsidiaries, TIHPL and OUE Treasury Pte. Ltd. (“OUE Treasury”), extended loans to OUELH in the principal aggregate sum of \$165,412,000 (“Existing Loan”) for OUELH’s re-financing and working capital purposes. The outstanding loan from OUE Treasury to OUELH was assigned to TIHPL on 1 January 2021. Pursuant to the Conversion Agreement, which was completed on 16 March 2021, the Existing Loan and the unpaid interest accrued of \$24,195,000 thereunder were converted into 4% convertible perpetual bonds issued by OUELH to TIHPL. The convertible perpetual bonds are convertible to ordinary shares at a conversion price of \$0.07 per conversion share on or after 31 August 2026.

- (iv) On 24 February 2021, the Group has through its subsidiaries, Clifford Development Pte. Ltd., First REIT Manager and OUELH Group, subscribed for an aggregate of 276,872,285 rights units in First REIT for an aggregate cash consideration of approximately \$55,374,000. On completion of the rights issue and subscription, the Group holds an effective interest of 20.4% in First REIT.

- (v) On 23 March 2021, the Group has through its wholly-owned subsidiary, TIHPL entered into a share purchase agreement (the “SPA”) with Browny Healthcare Pte. Ltd. (“BHPL”) to purchase 266,587,752 ordinary shares (the “Sale Shares”) in the capital of OUELH (representing approximately 6% of the total issued share capital of OUELH) for an aggregate consideration of \$27,658,000 subject to the terms of the SPA. The Sale Shares acquisition has yet to be completed on the date of the financial statements.

On the same day, the Company has entered into a new memorandum of understanding with BHPL, where the Company further undertakes that it will purchase from BHPL all of the OUELH shares held by BHPL (excluding any new OUELH shares it may acquire from persons other than the Company subsequently) (the “Put Option”) if certain trigger events based on the financial results and operations of OUELH for financial period up to 31 December 2025 occur. The price for the Put Option shall be the fair market value subject to a minimum and maximum price agreed between the parties. Upon the occurrence of any of the trigger events, BHPL may exercise the Put Option within 90 days from the date OUELH delivers the audited financial statements for its financial year ending 31 December 2025 and other related documents to BHPL.

- (vi) On 24 March 2021, the Company received put redemption notice (as defined in the trust deed relating to convertible bonds dated 13 April 2018) in respect of \$140,000,000 in aggregate principal amount of the 1.5% convertible bonds due in 2023 (the “Redemption Bonds”).

The Redemption Bonds will be redeemed and cancelled on 13 April 2021. Upon cancellation of the Redemption Bonds, the aggregate principal amount of the outstanding 1.5% convertible bonds due in 2023 will be reduced to \$2,250,000.

- (vii) With the recent military coup and subsequent state of emergency declared by the Myanmar military junta in February 2021, the outlook for Myanmar is likely to be challenging. The Group through its subsidiary, OUELH Group, has investment in joint ventures, Yoma Siloam Hospital Pun Hlaing Limited and Pun Hlaing International Hospital Limited (collectively known as the “Myanmar Group”). As at 31 December 2020, the carrying amount of the investment in the Myanmar Group amounted to \$25,833,000. The Myanmar Group operates 3 hospitals and 4 clinics in Myanmar. Though their operations are still on-going, the Group is closely monitoring the developments in Myanmar and the impact on the operations of these joint ventures.

The financial reporting effect, if any, of the above mentioned event is considered a post balance sheet non-adjusting event as the significant changes to the economic conditions occurred as a result of events occurring after the balance sheet date. At the date of this statement, the situation in Myanmar is still evolving and the effect on the economy is subject to significant levels of uncertainty, with the full range of possible effects unknown.

QUE Treasury Pte. Ltd.

S\$3,000,000,000 Multicurrency Debt Issuance Programme

6 May 2021