

IMPORTANT NOTICE

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IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached preliminary offering circular (the “Offering Circular”) received by e-mail or otherwise received as a result of electronic communication, and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer (as defined in the Offering Circular) as a result of such access. You acknowledge that the access to the Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES 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. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

YOU ACKNOWLEDGE THAT THE ATTACHED OFFERING CIRCULAR AND THE INFORMATION CONTAINED THEREIN ARE STRICTLY CONFIDENTIAL AND INTENDED FOR YOU ONLY. THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR 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 AND REGULATIONS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be purchasing the securities outside the United States in an offshore transaction in reliance on Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”). The Offering Circular being sent at your request and by accepting the email and accessing the attached Offering Circular, you will be deemed to have represented to ING Bank N.V., Singapore Branch (the “Sole Global Coordinator”) and Oversea-Chinese Banking Corporation Limited (each, a “Joint Lead Manager” and together the “Joint Lead Managers”) that: (i) you and any customer you represent are outside the United States; (ii) the electronic mail address that you gave the Joint Lead Managers and to which this e-mail has been delivered is not located in the United States, and (iii) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the Offering Circular, 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 2001 of Singapore (as modified or amended from time to time, the “SFA”)) pursuant to Section 274 of the SFA or an accredited investor (as defined in Section 4A of the SFA) pursuant to 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 of Singapore, and (B) agree to be bound by the limitations and restrictions described therein.

The Offering Circular has been sent 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 the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, the Agents (each as defined in the Offering Circular) or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic form and the hard copy version available to you on request from the Joint Lead Managers.

Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the Offering Circular 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 or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on the Issuer’s behalf in such jurisdiction.

Actions that You May Not Take: You should not reply by e-mail to this electronic transmission, 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 responsible for protecting against viruses and other destructive items. 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.



POWERDC HOLDCO PTE. LTD.

(incorporated with limited liability in Singapore with Company Registration No. 202125191K)

SS[●] [●] per cent. Bonds due 2029

each, unconditionally and irrevocably guaranteed by



CREDIT GUARANTEE AND INVESTMENT FACILITY

a trust fund of the Asian Development Bank

Issue Price: [●] per cent.

This is an offering of SS[●] [●] per cent. senior unsecured guaranteed bonds due 2029 (the “**Bonds**”) by Power DC Holdco Pte. Ltd. (the “**Issuer**”). The payment obligations of the Issuer in respect of the Bonds and the Trust Deed relating thereto (as defined in “*Terms and Conditions of the Bonds*” (the “**Conditions**”)) will be unconditionally and irrevocably guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank (“**CGIF**” or the “**Guarantor**”, and such guarantee, the “**CGIF Guarantee**”) to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee. The Bonds will bear interest on their outstanding principal amount from time to time (as determined in accordance with Condition 7 (*Redemption and Purchase*) from (and including) [●] 2024 (the “**Issue Date**”) at the rate of [●] per cent. per annum payable semi-annually in arrear on [●] and [●], in each year, commencing on [●] 2025, subject as provided in Condition 8 (*Payments*). The Bonds will mature on [●] 2029.

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future. The payment obligations of the Issuer under the Bonds and the Trust Deed are unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee. Such obligations of the Guarantor under the CGIF Guarantee are direct, unconditional and general obligations of the Guarantor and rank *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any). The ability of the Trustee (as defined in the Conditions) or any Bondholder (as defined in the Conditions) to accelerate under the Bonds is limited pursuant to the terms of the Trust Deed. For a description of this and certain other restrictions of the CGIF Guarantee, see “*Description of the CGIF Guarantee*” and “*Risk Factors — Risks relating to the Guarantor and the CGIF Guarantee*”.

The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time, on giving not less than thirty (30) nor more than sixty (60) days’ notice to the Bondholders in accordance with the Conditions and to the Guarantor, the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable) at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption, in the event of certain tax changes if, immediately before giving such notice, the Issuer satisfies certain conditions as described in Condition 7(b) (*Redemption for tax reasons*). If a Change of Control (as defined in the Conditions) occurs, the Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time within ninety (90) days following such occurrence, on giving not less than thirty (30) nor more than sixty (60) days’ notice to the Bondholders in accordance with the Conditions and to the Guarantor, the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable) at 101 per cent. of their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption if, immediately before giving such notice, the Issuer satisfies certain conditions as described in Condition 7(c) (*Redemption in the event of a Change of Control*). The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, on giving not less than thirty (30) nor more than sixty (60) days’ notice to the Bondholders in accordance with the Conditions and to the Guarantor, the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable) on any Business Day provided that the Issuer has appointed a Calculation Agent prior to the date on which such notice is given, and provided further that: (a) in the case of a redemption of any Bonds on any Business Day that is prior to [●] (the “**Make Whole Call Date**”), such Bonds will be redeemed at the Make Whole Amount (as defined in the Conditions) per Calculation Amount (as defined in the Conditions); and (b) in the case of a redemption of any Bonds on any Business Day from (and including) the Make Whole Call Date, such Bonds will be redeemed at their principal amount, in each case, together with interest accrued but unpaid to but excluding the date fixed for redemption, and if, immediately before giving such notice, the Issuer satisfies certain conditions as described in Condition 7(d) (*Redemption at the option of the Issuer*). In addition, at any time following the occurrence of a CGIF Acceleration Event (as defined in the Conditions), the Guarantor may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days’ notice the Issuer, the Trustee and the CDP Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so the Guarantor may, give notice to the Bondholders in accordance with Condition 16 (*Notices*) and to the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable).

The Bonds are expected to be rated AA by S&P Global Ratings, a division of S&P Global Inc. (“**S&P**”). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in the Bonds involves risks. Investors should be aware that there are various other risks relating to the Bonds, the Issuer and its subsidiaries, and their respective businesses and their respective jurisdictions of operations which investors should familiarise themselves with before making an investment in the Bonds. For a description of certain risks to be considered in connection with an investment in the Bonds, see “*Risk Factors*” beginning on page 9.

The Bonds will be issued in registered form and in the denomination of SS250,000 each. The Bonds will initially be represented by beneficial interests in a global certificate in registered form (the “**Global Certificate**”), which will be deposited with The Central Depository (Pte) Limited (the “**CDP**”) on or about the Issue Date. The transfer of Bonds will be effected in accordance with the rules and procedures for the time being of CDP.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission to the Official List of the SGX-ST and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries (if any), associated companies or the Bonds. The Bonds will be traded on the SGX-ST in a minimum board lot size of SS200,000 (or its equivalent in foreign currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require. There is currently no market for the Bonds.

The Bonds and the CGIF Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any other jurisdiction. The Bonds and the CGIF Guarantee may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds and the CGIF Guarantee are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S**”). For a description of these and certain further restrictions on offers, sales and transfers of the Bonds and the CGIF Guarantee and distribution of this Offering Circular, see “*Subscription and Sale*”.

INFORMATION IN THIS PRELIMINARY OFFERING CIRCULAR IS NOT COMPLETE AND MAY BE CHANGED. THIS PRELIMINARY OFFERING CIRCULAR IS NOT AN OFFER TO SELL SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE IS NOT PERMITTED. THE DEFINITIVE TERMS OF THE TRANSACTION(S) DESCRIBED HEREIN WILL BE DESCRIBED IN THE FINAL VERSION OF THIS OFFERING CIRCULAR.

Sole Global Coordinator

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Joint Lead Managers

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The date of this Offering Circular is [●] 2024

The Issuer confirms that this Offering Circular (other than the section titled “*Information on the Guarantor*”) contains as of its date of issue all information with respect to the Issuer and the Issuer and its subsidiaries (excluding VDC HKG51 Limited), taken as a whole (the “**Group**”) and to the Bonds which was (in the context of the issue, offering and sale of the Bonds) material and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements about the Issuer or the Group therein, in the light of the circumstances under which they were made, not misleading; as of such date (other than the section titled “*Information on the Guarantor*”) such information was true and accurate in all material respects and was not misleading in any material respect; any opinions, predictions or intentions expressed in the Offering Circular (other than the section titled “*Information on the Guarantor*”) were as of such date honestly and reasonably held or made; and all proper enquiries were made to ascertain or verify the accuracy of the foregoing. The Issuer accepts responsibility for the information contained in this Offering Circular accordingly.

The Guarantor confirms that: (i) as of its date of issue, the information in relation to the Guarantor contained in the section titled “*Information on the Guarantor*” of this Offering Circular is true and accurate in all material respects and is not misleading in any material respect; (ii) the section entitled “*Information on the Guarantor*” of this Offering Circular does not omit to state any material fact necessary to make such information relating to the Guarantor (in the context of the giving of the CGIF Guarantee) not misleading in any material respect; and (iii) all proper enquiries were made by the Guarantor to ascertain or verify the foregoing.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the issuance and offering of the Bonds described herein. Each of ING Bank N.V., Singapore Branch (the “**Sole Global Coordinator**”) and Oversea-Chinese Banking Corporation Limited (each, a “**Joint Lead Manager**”) and together the “**Joint Lead Managers**”) reserves the right, for any reason, to reject any offer to subscribe for the Bonds, in whole or in part.

The distribution of this Offering Circular and the offering, sale or delivery of the Bonds in certain jurisdictions may be restricted by law. Persons who acquire this Offering Circular are required by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee and the Agents (as defined in the Terms and Conditions) and each of their respective affiliates, officers, representatives, directors, employees, agents and advisers and each person who controls any of them to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the possession or distribution of this Offering Circular or any offering or publicity material relating to the Bonds in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and the distribution of this Offering Circular, see “*Subscription and Sale*”. This Offering Circular does not constitute or form part of an offer of, or an invitation to subscribe for or purchase, any of the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer, invitation to subscribe or purchase, or solicitation is not authorised or would be unlawful. By purchasing the Bonds, investors represent and agree to all of those provisions contained in that section of this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation, whether as to the past or the future.

No person has been authorised to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Bonds or the CGIF Guarantee other than those included in this Offering Circular in connection with the issuance, offering or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication or constitute any representation that there has been no change in the Issuer’s affairs or that there has been no

adverse change in the Issuer's or the Group's financial position since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or create an implication that any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Information in respect of the Guarantor contained in this Offering Circular has been provided by the Guarantor and has not been verified by the Issuer and the Issuer does not take any responsibility, express or implied, for any information contained in the section entitled "*Information on the Guarantor*". The Issuer has not taken any steps to verify the accuracy of any of the information contained in the section entitled "*Information on the Guarantor*", and no representation or warranty, express or implied, is made by the Issuer as to the accuracy or completeness of the information contained in that section. Information in respect of the Issuer and the Group contained in this Offering Circular has been provided by the Issuer and has not been verified by the Guarantor. None of the Guarantor, its management or its employees take any responsibility, express or implied, for any information contained in this Offering Circular, other than the information contained in the section entitled "*Information on the Guarantor*". In addition, none of the foregoing parties has taken any steps to verify the accuracy of any of the information included in this Offering Circular, other than the information contained in the section entitled "*Information on the Guarantor*", and no representation or warranty, express or implied, is made by any such parties as to the accuracy or completeness of the information contained in this Offering Circular other than the section entitled "*Information on the Guarantor*".

None of the Joint Lead Managers, the Guarantor, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Circular. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them has independently verified any of such information and assumes no responsibility for its accuracy or completeness. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Guarantor, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision. Neither this Offering Circular nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them that any recipient of this document, or any other information supplied in connection with the offering of the Bonds, should purchase the Bonds. Each person contemplating making an investment in the Bonds must make its own investigation and analysis of the Issuer's and the Guarantor's creditworthiness and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. No person should construe the contents of this Offering Circular as legal, business or tax advice and each person should be aware that it may be required to bear the financial risks of any investment in the Bonds for an indefinite period of time. Each person should consult its own counsel, accountant and other advisers as to legal, tax, business, financial and related aspects of an investment in the Bonds. To the fullest extent permitted by law, none of the Joint Lead Managers, the Guarantor, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them accepts any responsibility for the contents of or any omission from this Offering Circular or for any statement made or purported to be made by it or on its behalf with respect to the Issuer or the offering and issuance of the Bonds for so long as the Bonds remain outstanding nor undertake to advise any investor or potential investor of the Bonds of any information coming to the attention of any of the Joint Lead Managers, the Guarantor, the Trustee or the Agents or any of their

respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them. Each of the Joint Lead Managers, the Guarantor, the Trustee and the Agents and each of their respective affiliates, officers, representatives, directors, employees, agents and advisers and each person who controls any of them accordingly disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular.

This Offering Circular does not constitute or form part of an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them to subscribe for or purchase, any Bonds in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.

None of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them makes any representation to any investor regarding the legality of an investment by such investor under applicable laws. Investors should not consider any information in this Offering Circular to be legal, business and tax advice regarding an investment in the Bonds. See the section entitled “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Issuer, the Guarantor and the Joint Lead Managers are relying on the exemption from registration under the Securities Act provided by Regulation S for offers and sales of securities made outside the United States. The Bonds and the CGIF Guarantee have not been registered under the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may be offered or sold only in transactions that are exempt from or not subject to, the registration requirements of the Securities Act and any other applicable laws.

Each purchaser of the Bonds must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Bonds or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Bonds under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales and none of the Issuer, the Guarantor or the Joint Lead Managers shall have any responsibility therefor.

The Joint Lead Managers and any of their respective affiliates may purchase the Bonds for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer or the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). Furthermore, investors in the Bonds may include entities affiliated with the Issuer or the Guarantor.

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her adviser.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for

undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

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

UK PRIIPs REGULATION - PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds 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. 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 Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS A STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. ANY STABILISATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

CERTAIN DEFINED TERMS AND CONVENTIONS

All references to the “**Issuer**” or “**Company**” are references to PowerDC Holdco Pte. Ltd. and all references to the “**Group**” are to the Company and its subsidiaries but excluding VDC HKG51 Limited (“**HKG51 SPV**”). All references to the “**Vantage Group**” are to Vantage Data Centers Management Company, LLC, Vantage Data Centers Holding Europe SARL and their respective affiliates. All references to “**CGIF**” and the “**Guarantor**” are references to Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank.

All references to “**Singapore**” are to the Republic of Singapore. All references to “**Hong Kong**” are to the Hong Kong Special Administrative Region of the People's Republic of China. All references to the “**United States**” or “**U.S.**” are to the United States of America.

Unless otherwise indicated or required by the context, all references in this Offering Circular to “**U.S. dollars**” or “**U.S.\$**” are to United States dollars, the lawful currency of the United States; “**Singapore dollars**”, “**SS**” or “**SGD**” are to Singapore dollars, the lawful currency of Singapore; “**Hong Kong dollars**”, “**HKS**” or “**HKD**” are to Hong Kong dollars, the lawful currency of Hong Kong; and “**RM**” are to Ringgit, the lawful currency of Malaysia.

All references to the “**Agency Agreement**”, “**Agent(s)**”, “**Paying Agent**”, “**CDP Paying Agent**”, “**CGIF Acceleration Event**”, “**Registrar**”, “**Trust Deed**” and “**Trustee**” are to such capitalised terms as defined in the Conditions.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains certain financial information of the Issuer as of and for the years ended 31 December 2021, 2022 and 2023, which has been extracted from the audited consolidated financial statements of the Issuer as of and for the years ended 31 December 2022 and 2023 (the “**Audited Financial Statements**”). As the Issuer was only incorporated on 19 July 2021, certain financial information relating to the Issuer’s comprehensive income and cash flows for the year ended 31 December 2021 were presented for the period beginning 19 July 2021 to 31 December 2021 instead. The Audited Financial Statements were prepared in accordance with Singapore Financial Reporting Standards (“**SFRS**”) issued by the Accounting Standards Council and have been audited by Ernst & Young LLP.

Unless otherwise indicated, all amounts presented and discussed in this Offering Circular are presented on a consolidated basis, which includes HKG51 SPV, an indirect wholly owned subsidiary of the Issuer. See “*Business—Corporate Information*”. Notwithstanding the foregoing, all information with respect to the Issuer and the Group (other than the financial information extracted from the Audited Financial Statements) excludes HKG51 SPV. In addition, HKG51 SPV is excluded from the Conditions. The Audited Financial Statements consolidates HKG51 SPV with the Issuer primarily due to rent payable since 2022 under the lease relating to the HKG51 data centre currently under development. Since 2022, rent has been funded by shareholder equity and loans from Vantage APAC. The Issuer does not intend to update or restate the Audited Financial Statements to exclude HKG51 SPV. When relying on the Audited Financial Statements and the financial information contained in this Offering Circular, prospective purchasers should carefully consider the foregoing factors.

This Offering Circular also contains certain financial information relating to the Guarantor as of and for the years ended 31 December 2022 and 2023, which has been extracted from the audited consolidated financial statements of the Guarantor as of and for the years ended 31 December 2022 and 2023 (the “**Guarantor Audited Financial Statements**”). The Guarantor Audited Financial Statements were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and have been audited by Deloitte & Touche LLP and are available at the following website page: <http://www.cgif-abmi.org/investors/financial-statements> and are incorporated by reference in this Offering Circular.

The Audited Financial Statements were prepared in accordance with SFRS, which differ in certain respects from generally accepted accounting principles in other countries, including IFRS, which differences might be material to the financial information presented herein. Potential investors should consult their own professional advisers for an understanding of the difference between SFRS, IFRS and accounting principles in certain other jurisdictions, and how those differences might affect the financial information presented herein. In making an investment decision, investors must rely upon their own independent examination of the Issuer and the Guarantor, the terms of this offering and the recent financial information of the Issuer and the Guarantor. Unless

specified or the context otherwise requires, all financial information in this Offering Circular relating to the Issuer and the Guarantor is presented on a consolidated basis.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, figures shown as totals of columns or rows of numbers in certain tables may not be an arithmetic aggregation of the figures which precede them and actual numbers may differ from those figures contained in such tables due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

All references to “**Adjusted EBITDA**” in this Offering Circular reflect adjustments for certain non-cash expenses including Vantage APAC (as defined below) platform service fee recharges, HKG51 lease-related right-of-use depreciation and interest expense, other HKG51 lease-related payments among others, as well as and other non-recurring items. Adjusted EBITDA presented in this Offering Circular is a supplemental measure of the Issuer’s performance that is not required by, or presented in accordance with, SFRS or IFRS. Adjusted EBITDA is not a measurement of financial performance or liquidity under SFRS or IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with SFRS or IFRS, or as an alternative to cash flow from operating activities as a measure of liquidity.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

This Offering Circular includes words such as “believe”, “plan”, “expect”, “intend”, “should”, “seek”, “estimate” “will”, “aim” and “anticipate” and similar expressions that constitute “forward-looking statements” as that term is defined under U.S. federal securities laws.

Such statements are subject to certain risks and uncertainties because they relate to and depend on events and circumstances that may or may not occur. The Issuer cautions potential investors that forward-looking statements are not guarantees of future performance and that the Issuer’s actual financial condition, results of operations and cash flows, and prospects may differ materially from those made in or suggested by the forward-looking statements included in this Offering Circular. In addition, even if the Issuer’s financial condition, results of operations and cash flows and prospects are consistent with such statements, those results or developments may not be indicative of results or prospects in subsequent periods. Actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors, many of which are beyond the Issuer’s control, including:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions;
- those other risks identified in the “*Risk Factors*” section of this Offering Circular.

The occurrence of one or more of these factors, among others, could cause the Issuer’s or the Group’s actual results to vary materially from those estimated, anticipated or projected. Although the Issuer believes that its management’s expectations as reflected in such forward-looking statements are reasonable based on information currently available to the Issuer, it cannot be assured that such expectations will be realised. Accordingly, prospective purchasers are cautioned to not place undue reliance on such forward-looking statements and to carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Issuer and the Group operates. Such

forward-looking statements speak only as of their dates, and the Issuer undertake no obligation to publicly revise any of them, whether as a result of new information, future events or otherwise, subject to compliance with all applicable laws, including the rules of the SGX-ST. The Issuer urges potential investors to read this Offering Circular, including the sections entitled “*Risk Factors*” and “*Business*” for a more complete discussion of the factors that could affect the Issuer’s or the Group’s performance.

TABLE OF CONTENTS

	Page
SUMMARY OF THE OFFERING	1
SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION	6
RISK FACTORS	10
TERMS AND CONDITIONS OF THE BONDS.....	29
CLEARING AND SETTLEMENT.....	59
USE OF PROCEEDS.....	60
CAPITALISATION AND INDEBTEDNESS	61
BUSINESS	62
MANAGEMENT	83
INFORMATION ON THE GUARANTOR	83
DESCRIPTION OF THE CGIF GUARANTEE.....	97
TAXATION	100
SUBSCRIPTION AND SALE	105
RATINGS	109
GENERAL INFORMATION	110
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS	F-1
APPENDIX A: FORM OF CGIF GUARANTEE.....	A-1

SUMMARY OF THE OFFERING

The following is a general summary of the terms of the Bonds and the CGIF Guarantee and it is qualified in its entirety by reference to, and should be read in conjunction, with the general summary section entitled “Terms and Conditions of the Bonds” and the Trust Deed. The Trust Deed prevails to the extent of any inconsistency with the general summary set forth in this section. Terms used in this summary and not otherwise defined have the meanings given to such terms in the respective Conditions.

Issuer	PowerDC Holdco Pte. Ltd.
Legal Entity Identifier	984500C03DB37C4B0D47.
Bonds	S\$[●] [●] per cent. senior unsecured guaranteed bonds due 2029.
Issue Price	[●] per cent.
Issue Date	[●] 2024.
Maturity Date	[●] 2029.
Interest	The Bonds will bear interest on their outstanding principal amount from time to time (as determined in accordance with Condition 7 (<i>Redemption and Purchase</i>) from (and including) the Issue Date at the rate of [●] per cent. per annum payable semi-annually in arrear, see Condition 6 (<i>Interest</i>).
Interest Payment Dates	[●] and [●], in each year, commencing on [●] 2025, subject as provided in Condition 8 (<i>Payments</i>).
Status of the Bonds	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.
Guarantee of the Bonds	The payment obligations of the Issuer under the Bonds and the Trust Deed are unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee. For further information on the terms of the CGIF Guarantee, see “ <i>Description of the CGIF Guarantee</i> ” and “ <i>Appendix A: Form of CGIF Guarantee</i> ”.
Status of the CGIF Guarantee	The CGIF Guarantee will constitute direct, unconditional and general obligations of the Guarantor and rank <i>pari passu</i> with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any).
Limitation on the Guarantor’s Liabilities	The CGIF Guarantee does not cover any relevant amounts of principal or accrued but unpaid interest that may become payable by the Issuer on the exercise by it of an early redemption option, including as a result of the Issuer’s exercising its early

redemption option for tax reasons (Condition 7(b) (*Redemption for tax reasons*)), due to a Change of Control occurring (Condition 7(c) (*Redemption in the event of a Change of Control*)) or at its option (Condition 7(d) (*Redemption at the option of the Issuer*)). In order to mitigate any risk of the Issuer not paying the relevant amount of principal and/or accrued but unpaid interest arising out of or in connection with the Issuer exercising any of its rights of early redemption, the Issuer, in exercising its rights for redemption for tax reasons, due to a Change of Control occurring or at its own option, is required to, not less than one business day prior to the publication of any notice of redemption, transfer to a Singapore dollar account to be advised by the CDP Paying Agent for the benefit of the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds together with any interest accrued but unpaid to but excluding the relevant date fixed for redemption. The CGIF Guarantee also does not cover any relevant amounts of principal or accrued but unpaid interest that are payable under any Bonds purchased by the Issuer or any of its Subsidiaries.

Notwithstanding any other provisions of the CGIF Guarantee, the Trust Deed, the Agency Agreement, the Conditions or any other document related to the issuance of the Bonds, the recourse of the Trustee against CGIF under the CGIF Guarantee and any other documents related to the Bonds will be limited solely to the CGIF Assets (as defined in the Conditions) and the Trustee will have no recourse to any assets of Asian Development Bank or any other contributors to CGIF. Any obligation under the CGIF Guarantee of CGIF will not constitute an obligation of Asian Development Bank or any other contributors to CGIF.

For further information on the terms of the CGIF Guarantee, see “*Description of the CGIF Guarantee*” and “*Appendix A: Form of CGIF Guarantee*”.

Use of Proceeds	The Issuer will use the net cash proceeds of the offering and issuance of the Bonds (after selling commissions and other costs and expenses associated with the offering and issuance of the Bonds) to partially refinance the Issuer’s HKD Term Loan (as defined below). See “ <i>Use of Proceeds</i> ” and “ <i>Business—Recent Developments</i> ”.
Negative Pledge	The Bonds contain a negative pledge provision as further described in Condition 4 (<i>Negative Pledge</i>).
Redemption at maturity	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date, subject as provided in Condition 8 (<i>Payments</i>).
Redemption for tax reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time, on giving not less than thirty (30) nor more than sixty (60) days’ notice to the Bondholders in

accordance with the Conditions and to the Guarantor, the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable) at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption, in the event of certain tax changes if, immediately before giving such notice, the Issuer satisfies certain conditions as described in Condition 7(b) (*Redemption for tax reasons*).

Redemption in the event of a Change of Control

If a Change of Control occurs, the Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time within ninety (90) days following such occurrence, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders in accordance with the Conditions and to the Guarantor, the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable) at 101 per cent. of their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption if, immediately before giving such notice, the Issuer satisfies certain conditions as described in Condition 7(c) (*Redemption in the event of a Change of Control*).

Redemption at the option of the Issuer

The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders in accordance with the Conditions and to the Guarantor, the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable) on any Business Day provided that the Issuer has appointed a Calculation Agent prior to the date on which such notice is given, and provided further that:

- (a) in the case of a redemption of any Bonds on any Business Day that is prior to [●] (the "**Make Whole Call Date**"), such Bonds will be redeemed at the Make Whole Amount per Calculation Amount; and
- (b) in the case of a redemption of any Bonds on any Business Day from (and including) the Make Whole Call Date, such Bonds will be redeemed at their principal amount,

in each case, together with interest accrued but unpaid to but excluding the date fixed for redemption, and if, immediately before giving such notice, the Issuer satisfies certain conditions as described in Condition 7(d) (*Redemption at the option of the Issuer*).

Redemption in the event of a CGIF Acceleration Event

At any time following the occurrence of a CGIF Acceleration Event (as defined in the Conditions), the Guarantor may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days' notice the Issuer, the Trustee and the CDP Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest

	accrued but unpaid to but excluding the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so the Guarantor may, give notice to the Bondholders in accordance with Condition 16 (<i>Notices</i>) and to the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable).
Events of Default	The Bonds contain certain events of default provisions as further described in Condition 10 (<i>Events of Default</i>).
Selling and Transfer Restrictions	The Bonds and the CGIF Guarantee will not be registered under the Securities Act or under any state securities laws of the United States or of any other jurisdiction, and will be subject to customary restrictions on transfer and resale. See “ <i>Subscription and Sale</i> ”.
Form and Denomination	The Bonds will be issued in registered form and in the denomination of S\$250,000 each. The Bonds will initially be represented by the Global Certificate, which will be deposited with CDP on or about the Issue Date.
Clearing and Settlement	Clearance of the Bonds will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“ Depository System ”) maintained by CDP. For a description of certain factors relating to clearance and settlement, see “ <i>Clearing and Settlement</i> ”.
Trustee	The Bank of New York Mellon, Singapore Branch.
CDP Paying Agent, Registrar and Transfer Agent	The Bank of New York Mellon, Singapore Branch.
ISIN	[●].
Common Code	[●].
Listing	Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.
Issue	The Bonds are proposed to be issued under the ASEAN+3 Multi-Currency Bond Issuance Framework (“ AMBIF ”). AMBIF is a policy initiative under the Asian Bond Markets Initiative (“ ABMI ”) that seeks to facilitate intra-regional bond and note issuances by streamlining market practices, documentation and disclosure information requirements common among ASEAN+3 domestic bond markets. Through the AMBIF, issuers are able to expand into ASEAN+3 markets outside their country of domicile, and investors are able to actively participate in the region’s various investment opportunities.

	<p>Since ABMI established the ASEAN+3 Bond Market Forum in 2010, 15 entities have issued debt under the AMBIF format. The Bonds serve as the benchmark for issuers that may seek to tap ASEAN+3 markets in the future as a means of diversifying funding and expanding regional capital markets presence.</p>
<p>Ratings.....</p>	<p>The Bonds are expected to be rated AA by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. No guarantee is made that such ratings will not be adversely revised or withdrawn either before or after delivery of the Bonds. See “<i>Risk Factors – Risks Relating to the Bonds – Credit ratings may not reflect all risks and the ratings assigned to the Bonds may be lowered or withdrawn in the future</i>”.</p>
<p>Risk Factors</p>	<p>For a discussion of certain risk factors that should be considered in evaluating an investment in the Bonds, see “<i>Risk Factors</i>”.</p>
<p>Governing Law</p>	<p>The Bonds including the Conditions and any non-contractual obligations arising out of or in connection therewith will be governed by, and will be construed in accordance with, English law and any disputes arising thereunder are subject to arbitration under the Rules of the Singapore International Arbitration Centre.</p>

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following tables set out selected consolidated financial information of the Issuer as at and for the periods indicated.

The summary audited consolidated financial information of the Issuer as at and for each of the years/periods ended 31 December 2021, 2022 and 2023 have been extracted from, and should be read in conjunction with, the Audited Financial Statements that have been audited by Ernst & Young LLP and the related notes thereto (though prospective investors should note that they have not been specifically prepared for inclusion in this Offering Circular). Such Audited Financial Statements have been prepared in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore.

The Audited Financial Statements reflect and consolidate the financial information with respect to HKG51 SPV, an indirect wholly owned subsidiary of the Issuer, primarily due to rent payable since 2022 under the lease relating to the HKG51 data centre currently under development. Since 2022, rent has been funded by shareholder equity and loans from Vantage APAC. Notwithstanding the foregoing, for the purposes of the Bonds, the Conditions, and other matters in this Offering Circular, HKG51 SPV is excluded. See “*Presentation of Financial Information*”.

Consolidated Statements of Comprehensive Income (Period/Years ended 31 December 2021, 2022 and 2023)

	Period/Years ended 31 December		
	19 July 2021 (date of incorporation) to 31 December 2021	2022	2023
		(U.S.\$)	
Revenue	7,683,794	116,817,792	130,973,795
Expenses			
Professional and consultancy fee	(4,380,894)	(4,550,800)	(1,505,441)
Property operations and maintenance	(373,290)	(10,082,908)	(22,829,886)
Power expenses	(2,269,568)	(34,954,663)	(39,978,308)
Staff costs	(1,355,406)	(7,732,123)	(6,984,892)
Foreign exchange (loss)/gain	(135,054)	727,293	(269,981)
Depreciation of property, plant and equipment	(1,499,926)	(21,519,163)	(24,494,205)
Impairment of property, plant and equipment	-	-	(5,778,477)
Depreciation of right-of-use assets	(1,603,641)	(25,894,373)	(31,755,194)
Amortisation of intangible assets	(417,333)	(5,164,835)	(4,702,597)
Other operating expense	(2,413)	(11,012,648)	(21,227,608)
Operating loss	(4,353,731)	(3,366,428)	(28,552,794)
Interest expense	(1,207,303)	(15,704,475)	(20,214,155)
Finance fees	(6,813,884)	(1,515,604)	(1,453,875)

Interest income	-	83,630	593,673
Loss before tax	(12,374,918)	(20,502,877)	(49,627,151)
Income tax credit/(expense)	-	(321,072)	2,281,076
Loss for the period/year	(12,374,918)	(20,823,949)	(47,346,075)
Other comprehensive income			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation	94,542	(1,403,063)	(1,289,844)
Other comprehensive income for the period/year, net of tax	94,542	(1,403,063)	(1,289,844)
Total comprehensive income for the period/year attributable to owners of the Company	(12,280,376)	(22,227,012)	(48,635,919)

**Consolidated Statements of Financial Position
(Period/Years ended 31 December 2021, 2022 and 2023)**

	As at 31 December		
	19 July 2021 (date of incorporation) to 31 December 2021	2022	2023
		(U.S.\$)	
Non-current assets			
Investment in subsidiary	-	-	-
Property, plant and equipment	235,597,847	261,162,399	268,091,188
Intangible assets	498,426,222	493,248,660	488,542,743
Other receivables	-	-	13,975,590
Amount due from related parties	-	-	-
Right-of-use-assets	108,201,825	196,977,891	210,199,363
	842,225,894	951,388,950	980,808,884
Current assets			
Contract assets	8,507,923	10,226,855	8,513,419
Trade and other receivables	18,524,136	31,318,649	26,734,781
Prepayments	2,717,311	1,395,261	1,563,224
Cash and cash equivalents	40,633,183	89,372,805	58,571,524

Amount due from related parties	-	-	852,097
Other assets	42,925,002	14,455,422	513,416
	113,307,555	146,768,992	96,748,461
Total assets	955,533,449	1,098,157,942	1,077,557,345
Current liabilities			
Contract liabilities	6,899,575	727,093	5,108,833
Trade and other payables	6,218,880	26,899,914	19,929,628
Advance from related parties	-	7,894,379	14,963,268
Lease liabilities	22,254,982	21,325,998	27,170,547
Loans and borrowing	-	9,938,760	221,876,425
Other liabilities	10,492,496	-	-
	45,865,933	66,786,144	289,048,701
Net current assets/(liabilities).....	67,441,622	79,982,848	(192,300,240)
Non-current liabilities			
Advance from related parties	9,869,860	32,640,765	8,062,079
Provision for restoration cost	5,448,047	9,285,951	15,585,276
Lease liabilities	104,350,455	193,942,636	210,728,831
Loans and borrowing	162,645,600	189,950,022	-
Deferred tax liabilities	25,228,614	25,409,166	22,524,540
	307,542,576	451,228,540	256,900,726
Total liabilities	353,408,509	518,014,684	545,949,427
Net assets	602,124,940	580,143,258	531,607,918
Equity attributable to owners of the Company			
Share capital	614,405,316	614,405,316	614,684,529
Accumulated losses	(12,374,918)	(33,198,867)	(80,544,942)
Other reserves	94,542	(1,063,191)	(2,531,669)
Total equity	602,124,940	580,143,258	531,607,918
Total equity and liabilities	955,533,449	1,098,157,942	1,077,557,345

Consolidated Statements of Cash Flows
(Period/Years ended 31 December 2021, 2022 and 2023)

	Period/Years ended December 31		
	19 July 2021 (date of incorporation) to 31 December 2021	2022	2023
		(U.S.\$)	
Net cash generated from operating activities	5,800,682	68,483,947	43,785,828
Net cash used in investing activities	(732,592,607)	(47,701,228)	(35,732,177)
Net cash generated from/(used in) financing activities	767,330,566	28,255,084	(38,784,945)
Net increase/(decrease) in cash and cash equivalents ..	40,538,641	49,037,803	(30,732,294)
Cash and cash equivalents at beginning of the year	-	40,633,183	89,372,805
Effect of exchange rate changes on cash and cash equivalents	94,542	(298,181)	(68,987)
Cash and cash equivalents at end of the period/year ...	40,633,183	89,372,805	58,572,524

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Potential investors should carefully consider all the information contained in this Offering Circular including the risks described below before making an investment decision. The Group's business, financial condition and results of operations could be materially and adversely affected by any of these risks. The market price of the Bonds could decline due to any of these risks and investors may lose all or part of their investment. The risks described below are not the only ones that may affect the Group or the Bonds. This Offering Circular contains forward-looking statements relating to events that involve risks and uncertainties. The Issuer's actual results may differ materially from those anticipated in forward-looking statements as a result of various factors, including the risks faced by the Group described below and elsewhere in this Offering Circular.

Risks relating to Business

Global economic conditions could adversely affect the Issuer's liquidity and financial condition.

The markets in which the Issuer operates its properties have experienced tighter credit conditions and slower economic growth. Additional debt or equity financing opportunities, especially in the current credit-constrained climate, may not be available when needed or, if available, may not be available on satisfactory terms. Continued concerns about the systemic impact of low economic growth, energy costs, geopolitical issues, the availability and cost of credit, global financial and mortgage markets, corporate and consumer debt levels and declining residential and commercial real estate markets have contributed to increased market volatility and diminished expectations for the economies of countries where the Issuer conducts its operations.

As a result of these general economic conditions the cost and availability of capital have been and may continue to be adversely affected in the markets in which the Issuer operates its properties and conduct its operations. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce and, in some cases, cease to provide credit to businesses and consumers. Continued turbulence in the international markets and economies may adversely affect the Issuer's liquidity and the financial condition of its customers, who contract under various types of agreements (including without limitation leases and service agreements) that provide the customer with, generally, an established amount of power and cooling, along with security, in a particular space in a data centre and which customers may also be provided with other related services. If these market and economic conditions continue, they may limit the Issuer's ability, and the ability of its customers, to replace or renew maturing liabilities on a timely basis and access the capital markets to meet liquidity and capital expenditure requirements. They may also result in adverse effects on the Issuer, and its customers', business, financial condition and results of operations.

If the Issuer does not have sufficient cash flow to continue operating its business and is unable to borrow additional funds or raise equity or debt capital, it may need to find alternative ways to increase its liquidity. Such alternatives may include, without limitation, curtailing development or redevelopment activity, prioritising projects, disposing of one or more properties possibly on disadvantageous terms or entering into or renewing leases on less favourable terms than the Issuer otherwise would and, in general, curtailing capital expenditures.

The Issuer's revenue is dependent on a limited number of hyperscaler and enterprise customers, and the loss of, or any significant decrease in business from, any one or more of its major customers could adversely affect its financial condition and results of operations.

For the year ended 31 December 2023, the Issuer's three largest customers accounted for approximately 78% of its leased MW and 71% of its revenue. There are several factors that could cause the Issuer to lose its major customers. The Issuer's customers may experience a downturn in their businesses or otherwise experience a lack of liquidity and reduce spending on the Issuer's services by moving more facilities in-house or outsourcing to other service providers. If any customer defaults or fails to make timely rent payments, the Issuer may experience delays in enforcing its rights, may not succeed in recovering rent at all and may incur substantial costs collecting outstanding rent payment. In addition, the Issuer's financial condition may suffer as a result of any failure to enforce or recover under any security granted to it (by way of parent company guarantee, bank guarantee, or otherwise) with respect to a customer or prospective customer's obligations.

Furthermore, the Issuer's customers may experience substantial price competition and pressures on their profitability and demand price reductions or reduce the scope of services to be provided by the Issuer. In addition, the Issuer's customer contracts usually allow its customers to terminate their agreements with it before the end of the contract period under certain specified circumstances, which would affect its customer retention. The loss of any of the Issuer's major customers, or a significant decrease in scope the services it provides or the pricing of its services, could materially and adversely affect its financial condition and results of operations.

The Issuer's indebtedness could adversely affect its ability to raise additional capital to fund its operations, expose it to interest rate risk to the extent of its variable rate debt and prevent it from meeting its obligations under its indebtedness.

For the year ended 31 December 2023, the Issuer had loans and borrowings amounting to U.S.\$221.9 million (comprised of unsecured and non-interest-bearing shareholder loans amounting to U.S.\$32.6 million and interest-bearing bank borrowing amounting to U.S.\$189.3 million). On 30 September 2024, the Issuer utilised HK\$1,831 million under the Facilities Agreement (as defined below) for, among others, refinancing existing indebtedness. The Issuer's indebtedness could, among other consequences:

- make it more difficult for the Issuer to satisfy its obligations under its indebtedness, exposing the Issuer to the risk of default, which, in turn, would negatively affect its ability to operate as a going concern;
- require the Issuer to dedicate a portion of its cash flows from operations to interest and principal payments on its indebtedness, reducing the availability of its cash flows for other purposes, such as capital expenditures, acquisitions and working capital;
- limit the Issuer's flexibility in planning for, or reacting to, changes in its business and the industries in which it operates;
- increase the Issuer's vulnerability to general adverse economic and industry conditions;
- place the Issuer at a disadvantage compared to its competitors that have less debt;
- expose the Issuer to fluctuations in the interest rate environment because the interest rates on borrowings under its financing agreements are variable;
- increase the Issuer's cost of borrowing; and
- require the Issuer to sell assets to raise funds, if needed, for working capital, capital expenditures, acquisitions or other purposes.

As a result of covenants and restrictions in its loan documents, the Issuer is limited in how it conducts its business, and it may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The Issuer's current or future borrowings could increase the level of financial risk to it, to the extent that the interest rates are not fixed and rise, or that borrowings are refinanced at higher rates, the Issuer's available cash flow and results of operations could be adversely affected.

All of the Issuer's facilities are located in leased properties and disputes arising under the terms of the leaseholds may have an adverse effect on its operations.

All of the Issuer's facilities are located in leased properties where it has entered into long-term operating leases. The Issuer may not be able to renew these leases on commercially reasonable terms, if at all, upon the expiration of such leases. Even though the lessors for most of the Issuer's data centres generally do not have the right of unilateral early termination, the lease may nonetheless be terminated early if the Issuer is in material breach of the lease agreements. If the leases for its data centres were terminated early or if it is not able to renew such leases, the Issuer may have to relocate which will incur significant cost. Any dispute arising under the leaseholds, or any relocation could also affect the Issuer's ability to provide continuous uninterrupted services to its customers and harm its reputation. As a result, the Issuer's business and results of operations could be materially and adversely affected.

The Issuer's business is dependent on the technical and operational resilience of its infrastructure.

If a data centre were to suffer a serious incident, be it due to equipment failure, human error or any other reason, this could have an impact on the Issuer's operational track record and reputation. While the Issuer manages

technical and operational risks through an N+1 or better infrastructure as well as through structured operational procedures and maintenance programmes and appropriate method statements, such risks cannot be eliminated. Such an incident could harm the Issuer's customers, reduce customers' confidence in its services, impair its ability to attract new customers and retain existing customers, result in the Issuer incurring financial obligations to its customers and otherwise have a material adverse effect on its business, financial condition and operations.

Further, some customers may increase their use of high-density electrical power equipment, which will significantly increase the demand for power per customer and cooling requirements in the Issuer's data centres. This increased demand may exceed the current electrical power and cooling infrastructure capacity available in the Issuer's data centres. Considering that electrical power infrastructure is typically one of the most important limiting factors in its data centres, the Issuer's ability to fully utilise available capacity is crucial as is the ability to secure sufficient power resources from third-party providers. If the Issuer cannot fully utilise available capacity and/or secure sufficient power resources, it could suffer from a negative impact on the available effective capacity of its existing data centres and limit its ability to expand its business. Any failure by an electricity supplier to provide required power resources to the Issuer could adversely affect its business, financial condition and results of operations.

The Issuer's properties depend upon the demand for space in data centres.

The Issuer's portfolio of properties consists of data centre real estate. A decrease in the demand for data centre space, internet gateway facilities or similar real estate could have an adverse effect on its business, financial condition and results of operations. Any economic slowdown or adverse development could lead to reduced demand for data centre space. Reduced demand could also result from business relocations, including to markets in which the Issuer does not currently operate.

Unexpected changes in industry practice or in technology, could also reduce customer demand for the physical data centre space which the Issuer provides and render its properties obsolete or in need of significant upgrades to remain viable. In addition, the development of new technologies, the adoption of new industry standards or other factors could render many of the Issuer's current products and services obsolete or unmarketable and contribute to a downturn in its customers' businesses, thereby increasing the likelihood that they default under their leases, become insolvent or file for bankruptcy.

In addition, the Issuer's customers may choose in the future to develop new data centres or expand or consolidate into data centres that the Issuer does not own or control. In the event that any of the Issuer's key customers were to do so, it could result in a loss of business or put pressure on pricing. If the Issuer loses a customer, no assurance can be given that it would be able to replace that customer at a competitive rate or at all, which could have a material adverse effect on its revenues.

Securing customers for the Issuer's existing and proposed development data centres may have a long sales cycle that may materially adversely affect its business, financial condition and results of operations.

A customer's decision to take capacity in one of the Issuer's existing or proposed data centres typically involves a significant commitment of resources by the Issuer and by the potential customer. As a result, for new customers, the Issuer may have a long sales cycle lasting anywhere from three months for smaller customers to periods in excess of one year for some of its larger customers. Furthermore, the Issuer may expend significant time and resources in pursuing a particular potential customer that does not result in revenue. The timescale for existing customers is shorter in most cases. A slowdown in the global economy, periods of political instability and/or a delayed recovery may further impact this long sales cycle by making it extremely difficult for customers to accurately forecast and plan future business activities. This could cause such potential customers to slow spending, or delay decision-making on the Issuer's data centres. Delays due to the length of the Issuer's sales cycle for existing data centres may have a material adverse effect on its business, financial condition and results of operations.

If the Issuer is unable to meet its service level commitments, its reputation and results of operation could suffer.

Most of the Issuer's customer contracts provide that it maintains certain service level commitments to its customers. If the Issuer fails to meet its service level commitments, the Issuer may be contractually obligated

to pay the affected customer a financial penalty (or service credits) and the customer may in some cases be able to terminate its contract. Although the Issuer has not had to pay any material financial penalties for failing to meet its service level commitments in the past, there is no assurance that the Issuer will be able to meet all of its service level commitments in the future and that no material financial penalties may be imposed. The Issuer's failure to meet its commitments could also result in substantial customer dissatisfaction or loss. As a result of such customer loss and other potential liabilities, the Issuer's net revenue and results of operations could be materially and adversely affected.

The Issuer enters into fixed-price contracts with its customers, and its failure to accurately estimate the resources and time required for the fulfillment of its obligations under these contracts could negatively affect its results of operations.

The Issuer's data centre services are generally provided on a fixed-price basis that requires it to undertake significant projections and planning related to resource utilisation and costs. Although the Issuer's past project experience helps to reduce the risks associated with estimating, planning and performing fixed-price contracts, it bears the risk of failing to accurately estimate its projected costs, and there can be no assurance that it will be able to reduce the risk of estimating, planning and performing its contracts. While the Issuer manages such risks through annual rent escalations, such risks cannot be eliminated. Any failure to accurately estimate the resources and time required for a project, or any other factors that may impact the Issuer's costs and could adversely affect its profitability and results of operations.

The Issuer's business is dependent on the adequate supply of electrical power and could be harmed by prolonged electrical power outages or increases in the cost of power.

The operation of each of the Issuer's data centres requires a substantial amount of power purchased from the grid. The Issuer generates all of its revenues from data centres located in Hong Kong and Malaysia and a significant disruption to either location could materially and adversely affect its operations. The Issuer cannot be certain that there will be adequate power in all of the markets in which it operates. The Issuer relies on third parties to provide power to its data centres, and it cannot ensure that these third parties will deliver such power in adequate quantities or on a consistent basis. If the amount of power available to the Issuer is inadequate to support its requirements, the Issuer may be unable to satisfy its obligations to its customers. The Issuer attempts to limit exposure to system downtime caused by power outages by using back-up generators and uninterruptible power supply (or "UPS") systems. However, the Issuer may not be able to limit its exposure entirely even with these systems in place. The Issuer also cannot guarantee that the generators will always provide sufficient power or restore power in time to avoid loss of or damage to customers' equipment and its own infrastructure.

Any temporary loss of or reduction in power at any of its data centres could harm the Issuer's customers, reduce customers' confidence in its services, or impair its ability to retain existing customers or attract new customers. It could also result in the Issuer incurring financial liabilities to its customers, who may also seek damages from the Issuer.

If the Issuer is unable to fully utilise the physical space available within its data centres or successfully develop additional data centres or expand existing data centres due to restrictions on available electrical power or cooling, the Issuer will be unable to accept new customers or increase its services provided to existing customers, which may have a material adverse effect on its business, financial condition and results of operations.

The Issuer is susceptible to fluctuations in power costs in all of the markets in which it operates.

The Issuer's contracts with its customers typically include the right to pass through power charges and other variable costs to customers. Power costs are either built into the overall contract pricing or charged back to the customer based on actual usage or agreed power usage effectiveness ("PUE") thresholds. For contracts that utilise PUE thresholds, there is a risk that the agreed PUE thresholds do not match up to the actual PUE. If the Issuer is unable to recover all of its power costs, this may have a material adverse effect on its business, financial condition and results of operations.

The industry in which the Issuer operates is subject to environmental and health and safety laws and regulations and may be subject to more stringent efficiency, environmental and health and safety laws in the future.

The Issuer is subject to various environmental and health and safety laws and regulations, including those relating to the generation, storage, handling and disposal of hazardous substances and technological equipment, the maintenance of facilities, the generation and use of electricity and liability for historically contaminated land. Certain of these laws and regulations are capable of imposing liability for the cost of the investigation and remediation of contaminated sites on a strict causal basis, without regard to fault or the care taken in the disposal activity. Compliance with these laws and regulations could impose substantial ongoing compliance costs and operating restrictions on the Issuer.

The Issuer's data centres contain tanks and other containers for the storage of diesel fuel and significant quantities of lead acid batteries to provide back-up power. The Issuer cannot guarantee that its environmental compliance programme will be able to prevent leaks or spills in these or other technical installations.

Non-compliance with, or liabilities under, existing or future environmental or health and safety laws and regulations, including failure to hold requisite permits, or the adoption of more stringent requirements in the future, could result in fines, penalties, third-party claims and other costs that could have a material adverse effect on the Issuer.

The Issuer's failure to obtain, renew or maintain the statutory and regulatory permits, licences and approvals required to operate its business will have a material adverse effect on its business.

The Issuer requires certain statutory and regulatory permits, licences and approvals (or the waivers thereof) to operate its business. Such permits, licences, approvals (or the waivers thereof) are subject to revocation, renewal or modification and may require the Issuer to make certain changes to its operations, which may involve significant costs, in order to comply with the terms and conditions of such permits, licences and approvals (or the waivers thereof). A violation of such authorisation or permit conditions or other legal or regulatory requirements could result in substantial fines, criminal sanctions, penalties, permit/waiver revocations, injunctions and/or temporary or permanent shutdown at the Issuer's data centres. There is no assurance that the Issuer will be able to obtain renewed licences, permits and approvals (or the waivers thereof) upon their expiration in a timely manner, or at all. Any failure by the Issuer to renew, maintain or obtain the required permits, licences or approvals (or the waivers thereof), or any requirement for a more stringent compliance standard may have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer's credit facility restricts its ability to engage in some business activities.

The Issuer's credit facility contains negative covenants and other financial and operating covenants that, among other things:

- restrict its ability to incur additional indebtedness;
- restrict its ability to make certain investments;
- restrict the ability of member companies of Vantage APAC, including the Issuer, to merge with another company;
- restrict its ability to create, incur or assume liens;
- restrict its ability to make distributions to its shareholders, subject to certain net leverage threshold;
- requires it to maintain financial coverage ratios; and
- requires it to maintain a pool of unencumbered assets.

As a result of these covenants, the Issuer is limited in the manner in which it conducts its business and it may be unable to take advantage of favourable business opportunities or finance future operations or capital needs.

The Issuer could be subject to costs, as well as claims, litigation or other potential liability, in connection with risks associated with the security of its data centres.

One of the Issuer's key service offerings is the high level of physical premises security. Many of its customers entrust their key strategic IT services and applications to the Issuer due, in part, to the level of security it offers. A party who is able to breach the Issuer's security could physically damage its and its customers' equipment and/or misappropriate either the Issuer's proprietary information or the information of its customers or cause interruptions or malfunctions in the Issuer's and/or its customers' operations.

There can be no assurance that the security of any of the Issuer's data centres will not be breached either physically or electronically or the equipment and information of its customers will not be put at risk. Any security breach could have a serious effect on the Issuer's reputation and could prevent customers from choosing its services and lead to customers terminating their leases and seeking to recover losses suffered, which could have a material adverse effect on the Issuer's business, financial condition and results of operations. The Issuer may incur significant additional costs to protect against physical and electronic security breaches or to alleviate problems caused by such breaches.

The Issuer faces risks relating to foreign currency exchange rate fluctuations.

The Issuer's reporting currency for the purposes of its financial statements is the U.S. dollar. However, the Issuer generates revenues and incurs operating costs in non-U.S. dollar denominated currencies, such as the Hong Kong dollar and Malaysian Ringgit. The Issuer recognises foreign currency gains or losses arising from its operations in the period incurred. As a result, currency fluctuations between the U.S. dollar and the non-U.S. dollar currencies in which it does business will cause the Issuer to incur foreign currency translation gains and losses. The Issuer does not currently manage its exposure to foreign currency exchange rate volatility by using foreign currency exchange rate hedging arrangements and does not intend to put in place hedging arrangements in conjunction with the issue of the Bonds. The Issuer cannot predict the effects of exchange rate fluctuations upon its future operating results because of the number of currencies involved, the variability of currency exposure and the potential volatility of currency exchange rates.

The Issuer is exposed to interest rate risk.

The Issuer's existing loan documents and future debt and borrowings may carry floating interest rates, and, consequently, the interest cost to the Issuer for such debt will be subject to interest rate fluctuations. In addition, the Issuer is and may in the future be subject to market disruption clauses contained in its loan agreements. Such clauses will generally provide that to the extent that the lenders 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 borrower, notwithstanding the margins agreed. The Issuer has interest rate hedging arrangements in place on a majority but not all of its loan obligations. This may result in a large interest expense and an adverse effect on the business, results of operations and financial condition of the Issuer.

Counterparty risk and credit risk.

The Issuer is exposed to the credit risk of the financial institutions where its cash is held. In the event of the insolvency of such a financial institution, the Issuer will be treated as a general creditor of the financial institution. To the extent that the Issuer hedges its foreign exchange rate exposure or other exposure (e.g. interest rate exposure), the Issuer will be exposed to the credit risk of the counterparties with whom it hedges and may also bear the risk of settlement default with respect to such counterparties.

Potential losses may not be covered by insurance.

The Issuer carries comprehensive insurance covering (by way of example) third party liability, fire, earthquake, business interruption and rental loss covering all of the properties in its portfolio. The Issuer selects policy specifications and insured limits which it believes to be appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. Most of the Issuer's policies, like those covering losses due to floods, are insured subject to limitations involving large deductibles or co-payments and policy limits which may not be sufficient to cover losses. The Issuer does not carry insurance for generally uninsured losses such as loss from war or nuclear reaction. In the event that the Issuer incurs a loss as a result of war or nuclear reaction, or a loss that is not fully covered by insurance due to the policy limit or otherwise, the value of its assets will be reduced by the amount of any such uninsured loss. In addition, in the case of damage to property, the Issuer may have no source of funding to repair or reconstruct the damaged property, and there can be no assurance that any such sources of funding will be available to the Issuer for such purposes in the future. Also,

changes in the costs or availability of insurance in the future could expose the Issuer to further uninsured losses as certain types of risk may become uninsurable or not economically insurable.

In addition, many of the Issuer's properties contain extensive and highly valuable technology-related improvements. Under the terms of the Issuer's leases, customers generally retain title to such improvements and are obligated to maintain adequate insurance coverage applicable to such improvements and under most possible circumstances would use their insurance proceeds to restore such improvements after a casualty. In the event of a casualty or other loss involving one of the Issuer's buildings with extensive installed customer improvements, customers may have the right to terminate their leases if the Issuer does not rebuild the base building within prescribed times. In such cases, the proceeds from customers' insurance will not be available to restore the improvements, and the Issuer's insurance coverage may be insufficient to replicate the technology-related improvements made by such customers.

If the Issuer or one or more of its customers experiences a loss, including due to vandalism or resulting from breaches of security at one of the Issuer's data centres, which is uninsured or which exceeds policy limits, the Issuer could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties.

The Issuer may experience unforeseen delays and expenses when developing data centres and the costs can be greater than anticipated.

As the Issuer attempts to grow its business, substantial management effort and financial resources are employed developing new data centres and upgrading existing data centres. The Issuer may experience unforeseen delays and expenses in connection with a particular project. In addition, unexpected technological changes and industry practice changes could affect the Issuer's customers' requirements and the Issuer may not have built such requirements into its data centres and may not have budgeted for the financial resources necessary to develop the space to meet such new requirements. Although the Issuer budgets for expected development costs and expenses at the time the project is initiated, additional expenses in the event of unforeseen delays, cost overruns, unanticipated expenses, regulatory changes and unexpected technological changes may negatively affect its business, financial condition and results of operations. No assurance can be given that the Issuer will complete the development of new data centres or the redevelopment of existing data centres within the proposed timeframe and cost parameters or at all.

The Issuer may face risks relating to increasing ongoing operating costs of its data centres without corresponding increase in turnover or reimbursements from its customers.

Factors which could increase the Issuer's operating and other expenses include:

- increases in the rate of inflation;
- increases in staff, telecommunications and energy utility costs;
- increases in insurance premiums;
- increases in the costs of maintaining properties; and
- failure to perform by sub-contractors leading to increases in operating costs.

Such increases could have a material adverse effect on the Issuer's business, financial condition or results of operations.

The Issuer faces competition, which may decrease or prevent increases of the occupancy and rental rates of its properties, alter the terms and conditions of future leases and result in shorter term rental periods.

The Issuer competes with numerous owners, operators and developers of real estate, including data centres, many of which own and/or operate properties similar to it in the same markets in which its properties are located. In addition, the Issuer may in the future face competition from new entrants into the data centre market, including new entrants who may acquire its current competitors. The Issuer's competitors and potential competitors may have advantages over it, including greater brand awareness, pre-existing relationships with current or potential customers, significantly greater financial, marketing and other resources and access to capital which allow them to respond more quickly to new or changing opportunities. If the Issuer's competitors offer space that its customers or potential customers perceive to be superior to the Issuer's based on numerous

factors, including available power, location, security considerations, or connectivity, or if they offer rental rates below current market rates, or below the rental rates the Issuer offers, the Issuer may lose customers or potential customers or be required to incur costs to improve its properties or reduce its rental rates. Consolidation may occur among existing competitors who may have significantly greater financial, marketing and other resources in comparison to the Issuer. Accordingly, competitors may be able to adopt aggressive pricing policies, including the provision of discounted data centre services as an incentive for customers to utilise their services or provide target customers with additional benefits. In addition, some of the Issuer's competitors may have developed or redeveloped additional data centre space. If the supply of data centre space continues to increase as a result of these activities or otherwise, rental rates may be reduced or the Issuer may face delays in or be unable to lease its vacant space, including space that it develops or redevelops. Furthermore, the Issuer's competitors may offer terms and conditions and rental periods that the Issuer considers less favourable to it but may need to match in order to remain competitive. Finally, if customers or potential customers desire services that the Issuer does not offer, it may not be able to lease its space to those customers. The Issuer's financial condition, results of operations, cash flow and ability to satisfy its debt service obligations could be materially adversely affected as a result of any or all of these factors.

The Issuer's properties may not be suitable for alternative use by customers without significant expenditures or renovations.

The Issuer's data centres are bespoke real estate assets built to the structural, mechanical and engineering specifications required for the provision of highly resilient data centre power, cooling, security and dense connectivity. In the event of repurposing the use of the real estate, the Issuer's properties may not be suitable for lease without significant expenditure or renovation. As a result, the Issuer may be required to invest significant amounts or offer significant discounts to customers in order to lease or re-lease that space for an alternate use, either of which could adversely affect its financial and operating results.

The Issuer may face significant expenditures if a customer fails to remove its equipment and restore its space to the original state.

Many of the Issuer's customers have invested a significant amount in infrastructure within their data centre space. If a customer fails to restore its space to the original condition at the end of its lease term or if it becomes insolvent during its lease term and the Issuer is unable to recoup the cost of restoring the space to a pre-let condition, the Issuer will incur significant cost to make the space reusable for new customers and lose out on the revenue from the space if the Issuer does not re-let it.

Future consolidation of multi-national data processing companies could materially adversely affect the Issuer's revenues by eliminating some potential customers and could make the Issuer more dependent on a more limited number of customers.

Mergers or consolidations of multi-national data processing companies in the future could reduce the number of the Issuer's customers and potential customers. If the Issuer's customers merge with or are acquired by other entities that are not its customers, they may discontinue or reduce the use of the Issuer's data centres in the future. Any of these developments could have a material adverse effect on the Issuer's revenues and results of operations.

The Issuer depends on third parties to provide connectivity to its customers in its data centres and any delays or disruptions in this may materially adversely affect its operating results and cash flow.

The Issuer is not a telecommunications carrier, and it is the responsibility of third parties to provide the Issuer's non-carrier customers with carrier services. Although the Issuer's customers are responsible for procuring their own connectivity, the Issuer depends upon the presence, capacity and diversity of multiple international and national telecommunications carriers which provide connectivity at the Issuer's data centres in order to attract and retain customers.

Any telecommunication carrier may elect not to offer or continue to offer its services within the Issuer's data centres. Further, as a result of strategic decisions or consolidations, some telecommunication carriers may be forced to downsize or terminate connectivity within the Issuer's data centres, which could have an adverse effect on the business of its customers and, in turn, the Issuer's own operating results.

The Issuer's success depends on key personnel whose continued service is not guaranteed, and the Issuer may not be able to retain or attract knowledgeable, experienced and qualified personnel.

The Issuer depends on the efforts of key personnel. The Issuer's reputation and relationships with existing and potential future customers, industry personnel and key lenders are the direct result of a significant investment of time and effort by its key personnel to build credibility in a highly specialised industry. Many of the Issuer's senior executives have extensive experience and strong reputations in the real estate and technology industries, which aids the Issuer in capitalising on strategic opportunities and negotiating with customers. While the Issuer believes that it would be able to find suitable replacements for key personnel who may depart from time to time, the loss of their services could diminish the Issuer's business and investment opportunities and its customers, industry and lender relationships, which could have a material adverse effect on the Issuer's operations.

In addition, the Issuer's success depends, to a significant degree, on being able to employ and retain personnel who have the expertise required to successfully acquire, develop, market and operate high-quality data centres. Personnel with these skill sets are in limited supply so the demand and competition for such expertise is intense. The Issuer cannot be certain that it will be able to hire and retain a sufficient number of qualified employees at reasonable compensation levels to support its growth and maintain the high level of quality service its customers expect, and any failure to do so could have a material adverse effect on the Issuer's business.

Due to the Issuer's high-capacity levels, it may not be able to accommodate requests for capacity, which could lead to customers moving their leases to a different data centre provider.

As of 30 June 2024, average occupancy rates across the Issuer's data centre properties were 99% in terms of contract MWs. If the Issuer is unable to accommodate requests for new capacity in current data centres or to develop new data centres quickly enough, the Issuer may face a shortage of capacity and existing customers may lease capacity from competitors. Once existing customers move to a competitor, this increases the possibility of such customers selecting the competitor to replace the Issuer.

The Issuer's risk management procedures may fail to identify or anticipate future risks.

Although the Issuer has risk management procedures in place, the methods used to manage risk may not identify or anticipate current or future risks or the extent of future exposures, which could be significantly greater than historical measures indicate. Risk management methods depend on the evaluation of information regarding markets, customers or other matters that is publicly available or otherwise accessible to the Issuer. Failure (or the perception that the Issuer has failed) to develop, implement and monitor its risk management policies and procedures and, when necessary, pre-emptively upgrade them could give rise to reputational issues which could have a material adverse effect on the Issuer's business, prospects, results of operations and financial condition.

Risks relating to the Bonds

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

The Bonds are complex financial instruments and 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 the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular and/or any applicable amendment or supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have the ability to understand and evaluate all information and materials with respect to the Issuer and the Group;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds including where principal or interest is paying in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor’s overall investment portfolio.

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

The Bonds will be subject to transfer restrictions.

The Bonds and the CGIF Guarantee will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States. They may only be sold outside the United States in offshore transactions in reliance on Regulation S, or, if available, pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and, in each case, in accordance with applicable state securities laws. In addition, subject to the conditions set forth in the Trust Deed, a Bond may be transferred only if the principal amount of Bonds transferred and, where not all of the Bonds held by a Bondholder are being transferred, the principal amount of the balance of Bonds not transferred is at least S\$250,000. For a further discussion of the transfer restrictions applicable to the Bonds, see “*Terms and Conditions of the Bonds*” and “*Subscription and Sale*”.

There is no existing trading market for the Bonds and, therefore, the Bonds offer limited liquidity.

The Bonds will constitute a new issue of securities which may not be widely distributed and for which there is currently no existing market.

No assurance can be given that an active trading market for the Bonds will develop or as to the liquidity or sustainability of any such market, the ability of the holders to sell their Bonds or the price at which the holders will be able to sell their Bonds. If an active trading market for the Bonds does not develop or is not maintained, the market price and liquidity of the Bonds may be adversely affected. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the price at which the Bonds are issued depending on many factors, including:

- prevailing interest rates;
- the Issuer’s results of operations and financial condition;
- the market conditions for similar securities; and
- the financial condition and stability of financial and other sectors.

If the Bonds are traded at a discount, investors may not be able to receive a favourable price for their Bonds, and in some circumstances, investors may not be able to sell their Bonds at all or at their fair market value. In addition, there may be a limited number of buyers when investors decide to sell their Bonds. This may affect the prices, if any, offered for Bonds or investors' ability to sell their Bonds when desired or at all.

The Joint Lead Managers is not obliged to make a market in the Bonds and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Joint Lead Managers. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, the holders will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. Accordingly, there can be no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for the Bonds.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Issuer's revenue, turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and resultant changes applicable to the industries in which the Group operates, and changes in general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There can be no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issues in other countries, including Singapore. Since the global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

Global economic growth in recent years has been slow and faces more uncertainty. The global economy, markets and levels of spending by businesses and consumers are influenced by many factors. For example, health epidemics have in the past caused significant downward pressure for the global economy. Geopolitical tension and conflicts, energy crisis, inflation risk, interest rate increases, instability in the financial system, and the tightening of monetary policy by the U.S. Federal Reserve impose new challenges and uncertainties on the global economy. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. Furthermore, sanctions and export control measures may be unilaterally imposed by the U.S. or other jurisdictions from time to time. These measures are expected to have significant impact on the targeted countries, markets and/or entities. There have also been concerns about the economic effect of the tensions in the relationship between the PRC and the U.S. There were and could be in the future a number of domino effects to the international financial markets from such turmoil. Any uncertainty or significant volatility in global economic conditions, including inflation, interest rates, the continuing global supply chain issue, and economic sanctions and restrictive measures in response to the Russia-Ukraine and Israel-Palestine conflicts, may adversely affect the market price of the Bonds. Investors must exercise caution before making any investment decisions.

Bondholders will be bound by decisions of defined majorities in respect of any modification and waivers.

The Trust Deed will contain the provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Bondholders including

Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of Bondholders may be adverse to the interests of individual Bondholders.

Also, Condition 14(b) (*Modification and waiver*) will provide that the Trustee may, without the consent of Bondholders but with the consent of CGIF, agree (but shall not be obliged): (i) to any modification of the Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter (as defined in the Conditions)) if such modification will not be materially prejudicial to the interests of Bondholders; and (ii) to any modification of the Bonds, the Conditions, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error or which is necessary to comply with mandatory provisions of law.

In addition, the Trustee may, with the consent of CGIF but without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Bonds, the Conditions, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if the interests of the Bondholders will not be materially prejudiced thereby, provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution (as defined in the Conditions) or a request made pursuant to Condition 10 (*Events of Default*).

For the avoidance of doubt, any modification to the Bonds, the Conditions (including in respect of a Reserved Matter), the Trust Deed or the Agency Agreement which requires the consent of the Bondholders shall also require the consent of the Guarantor.

In addition, on the Issue Date, the Trustee will become a party to an intercreditor agreement (the “**Intercreditor Agreement**”) with the Issuer, CGIF and certain secured finance parties of the Issuer (which includes the finance parties of the Facilities Agreement) (the “**Secured Parties**”) which will, among other things, require the Trustee to not amend or waive any term of a Bond Document if that amendment or waiver would breach another term of the Intercreditor Agreement.

The Trustee’s ability to accelerate the Bonds will be limited pursuant to the terms of the Trust Deed, and the Trustee may request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction.

Under the terms of the Trust Deed, the Trustee will agree with CGIF that it shall not take steps to declare any Bond to be or become immediately due and payable while an Event of Default is continuing (an “**Acceleration Step**”) except in limited circumstances set out in Clause 3.3 (*Acceleration*) of the Trust Deed.

Unless the prior written consent of CGIF is obtained, the circumstances mentioned above are strictly limited to the failure by CGIF to make payment of a Guaranteed Amount in accordance with the CGIF Guarantee such that a Non-Payment Event has occurred and is continuing (a “**Guaranteed Party Acceleration**”).

Investors should be aware that pursuant to the terms of the Trust Deed, neither the Trustee nor any Bondholder shall be entitled to take an Acceleration Step against the Issuer or CGIF unless a Guaranteed Party Acceleration has occurred and, in the event that any such Acceleration Step is taken in contravention of the relevant provision in the Trust Deed, CGIF shall not be required to pay any amounts in respect of such Acceleration Step.

Upon the occurrence of a Guaranteed Party Acceleration and if the Guaranteed Amounts (as defined below) are not paid by the Issuer in accordance with the Conditions and the Trust Deed following such Guaranteed Party Acceleration, the Trustee may at its sole discretion and, if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall (subject in each case to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) deliver in accordance with the Trust Deed a Guaranteed Party Acceleration Notice in respect

of the aggregate of the unpaid Guaranteed Amounts and the Guarantor Default Interest Amount (as defined in the CGIF Guarantee) (if any) to be paid by the Guarantor in accordance with the CGIF Guarantee.

In particular, potential investors should be aware that other than in the above limited circumstances, the Trustee will not be permitted under the Conditions, the Trust Deed or the CGIF Guarantee to take steps to declare any Bond to be or become immediately due and payable if an Event of Default arising other than in relation to Condition 10(a)(i) (*Non-Payment*) (being Conditions 10(a)(ii) (*Breach of other obligations*) to 10(a)(xii) (*Guarantee not in force*) (inclusive)) has occurred and is continuing, other than with the prior written consent of CGIF. Potential investors should also be aware that under the terms of the CGIF Guarantee, CGIF will pay the Guaranteed Amounts only in relation to a Missed Payment Event in accordance with Condition 10(a)(i) (*Non-payment*) that has occurred and is continuing or a CGIF Acceleration Event. For more information, see “— *Risks relating to the Guarantor and the CGIF Guarantee – Other than the Guaranteed Amounts, not all amounts due in respect of the Bonds are guaranteed by CGIF*”, “*Description of the CGIF Guarantee – Guaranteed Party Acceleration*” and “*Description of the CGIF Guarantee – Limited rights of acceleration*”.

In certain circumstances, including, without limitation, the circumstances described above, the giving of a Guaranteed Party Acceleration Notice to the Guarantor pursuant to Clause 3.3 (*Acceleration*) of the Trust Deed and taking enforcement steps pursuant to Condition 15 (*Enforcement*), the Trustee may, at its sole discretion, request holders of the Bonds to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of holders of the Bonds. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or to institute proceedings, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed or the Conditions and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law and regulations, it will be for the holders of the Bonds to take such actions directly.

In addition, on the Issue Date, the Trustee will become a party to the Intercreditor Agreement which will, among other things, set out the requirements relating to acceleration and enforcement by the Trustee against the Issuer agreed between the Trustee, CGIF and the Secured Parties. Following the occurrence of a Guaranteed Party Acceleration, any Acceleration Steps to be taken by the Trustee against the Issuer will need to comply with the requirements of the Intercreditor Agreement, which requirements will, among other things, not permit the Trustee to take, on behalf of itself and the Bondholders, any such Acceleration Step against the Issuer and will also prevent the Trustee, after the Bonds have been accelerated, from taking actions and/or steps or instituting proceedings against the Issuer to enforce the rights of the Trustee and the Bondholders under the Trust Deed and/or in respect of the Bonds, for so long as amounts remain owing to the Secured Parties.

Credit ratings may not reflect all risks, and the ratings assigned to the Bonds may be lowered or withdrawn in the future.

Credit ratings may not reflect all risks and any downgrade in ratings may affect the market price of the Bonds. The Bonds are expected to be rated AA by S&P. The ratings represent only the opinion of the rating agency and its assessment of the Issuer’s and the Guarantor’s ability to perform their respective obligations under the Conditions, the Trust Deed and the CGIF Guarantee and credit risks in determining the likelihood that payments will be made when due under the Bonds. A rating is not a recommendation to buy, sell or hold the Bonds and may be subject to revision, suspension or withdrawal at any time. Further, the ratings may not reflect the potential impact of all risks that may affect the value of the Bonds including those relating to the structure of the Bonds or the CGIF Guarantee, market conditions and the factors discussed in this section. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn

entirely by the relevant rating agency if in its judgement circumstances in the future so warrant. None of the Issuer, the Guarantor, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers or any person who controls any of them has any obligation to inform holders of the Bonds of any such revision, downgrade or withdrawal. A suspension, downgrade or withdrawal at any time of the rating assigned to the Bonds may adversely affect the market price of the Bonds.

The Bonds will initially be held in book-entry form, and therefore Bondholders must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Bonds will initially only be issued in registered form and held through CDP. Interests in the Global Certificate representing the Bonds will trade in book-entry form only, and Bonds in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of the Bonds for purposes of the Trust Deed. Accordingly, Bondholders must rely on the procedures of CDP, and if a Bondholder is not a direct participant in CDP, on the procedures of the participant through which such Bondholder owns its interest, to exercise any rights and obligations of a holder of the Bonds under the Trust Deed.

Upon the occurrence of an event of default under the Trust Deed and the Conditions, unless and until definitive registered Bonds are issued in respect of all book-entry interests, if a Bondholder owns a book-entry interest, such Bondholder will be restricted relying on their rights under the CDP Deed of Covenant. The procedures to be implemented through CDP may not be adequate to ensure the timely exercise of rights under the Bonds. See “*Terms and Conditions of the Bonds – Condition 3 (Register, Title and Transfers)*”.

The Issuer may be unable to redeem the Bonds on the due date for redemption.

On the Maturity Date, the Bonds will be redeemed at their principal amount, or in the case of certain changes in taxation, the occurrence of a Change of Control or upon the occurrence of a CGIF Acceleration Event (as defined herein and in the Conditions), the Issuer may be required to, or choose to, redeem all of the Bonds. On the Maturity Date or if such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The Issuer’s ability to redeem the Bonds on the Maturity Date or in such event may also be dependent on the receipt of the relevant Guaranteed Amounts from the Guarantor. In addition, agreements to which the Issuer is a party at that time may restrict or prohibit such a payment. Failure by the Issuer to pay any amount of principal in respect of the Bonds on the scheduled redemption at maturity or on an early redemption, or repurchase or redeem any tendered Bonds, would constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer’s other indebtedness.

The Bonds may be redeemed by the Issuer or (as the case may be) the Guarantor prior to maturity.

The Issuer may redeem the Bonds at its option, in whole but not in part, at any time, at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer satisfies the Trustee that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay Additional Amounts (as defined in the Conditions), as further described in Condition 7(b) (*Redemption for tax reasons*).

The Issuer may also redeem the Bonds at its option, in whole but not in part, at 101 per cent. of their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption if, subject to certain conditions, a Change of Control occurs, as further described in Condition 7(c) (*Redemption in the event of a Change of Control*).

The Issuer may also redeem the Bonds at its option, in whole but not in part, provided that the Issuer has appointed a Calculation Agent prior to the date on which such notice is given, and provided further that: (a) in the case of a redemption of any Bonds on any Business Day that is prior to the Make Whole Call Date, such

Bonds will be redeemed at the Make Whole Amount (as defined in the Conditions) per Calculation Amount; and (b) in the case of a redemption of any Bonds on any Business Day from (and including) the Make Whole Call Date, such Bonds will be redeemed at their principal amount, in each case, together with interest accrued but unpaid to but excluding the date fixed for redemption. See Condition 7(d) (*Redemption at the option of the Issuer*).

At any time following the occurrence of a CGIF Acceleration Event, the Guarantor may redeem the Bonds at its discretion, in whole but not in part only, at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption.

If the Issuer or (as the case may be) the Guarantor redeems the Bonds prior to the Maturity Date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds.

There are risks associated with the enforceability of arbitral awards.

The Trust Deed, the Agency Agreement, the CGIF Guarantee and the Bonds will be governed by English law and the parties will agree that disputes arising thereunder will be subject to arbitration in Singapore under the SIAC Arbitration Rules.

CGIF is established by the Association of Southeast Asian Nations members, China, Japan, Korea (the “**CGIF Member Countries**”) and the Asian Development Bank as a key component of the Asian Bond Markets Initiative. A substantial part of CGIF's assets is located outside of Singapore. Therefore, even though the Trustee may obtain an arbitral award in Singapore against CGIF in arbitration proceedings (an “**Award**”) and the Award may be enforced in Singapore in the same manner as a judgement or order to the same effect, CGIF may not have sufficient assets in Singapore to satisfy the Award.

In this regard, pursuant to Article 2.2 of CGIF's Articles of Agreement, CGIF may only undertake its functions within the CGIF Member Countries and all CGIF Member Countries are parties to the New York Convention. Accordingly, any arbitration award obtained in a state which is party to the New York Convention should be recognised and enforceable in all CGIF Member Countries provided the conditions for enforcement set out in the New York Convention are met and certain conditions and requirements under the applicable laws of the relevant jurisdictions relating to such enforcement are complied with.

Enforcing Bondholders' rights under the Bonds or the CGIF Guarantee across multiple jurisdictions may be difficult.

The Bonds will be issued by the Issuer, which is incorporated under Singapore law, and guaranteed by CGIF, which is a trust fund established under public international law. The CGIF Guarantee, the Bonds and the Trust Deed will be governed by English law. In the event of a bankruptcy, insolvency or similar event, different proceedings could be initiated in the United Kingdom and Singapore. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of the rights of Bondholders.

Bondholders' rights under the Bonds and the CGIF Guarantee will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that Bondholders will be able to effectively enforce their rights in such complex multiple bankruptcy, insolvency or similar proceedings.

Furthermore, the bankruptcy, insolvency, administrative and other laws of Singapore and England may be materially different from, or be in conflict with, each other and those with which Bondholders may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them,

could call into question whether the laws of any particular jurisdiction should apply, adversely affect Bondholders, and their ability to enforce their rights under the Bonds and the CGIF Guarantee in the relevant jurisdiction or limit any amounts that Bondholders may receive.

Investment in the Bonds may subject Bondholders to foreign exchange risks.

The Bonds will be denominated in, and principal and interest on the Bonds will be payable in, Singapore dollars. If investment returns are measured by reference to a currency other than Singapore dollars, an investment in the Bonds will entail foreign exchange-related risks, including possible significant changes in the value of the Singapore dollar relative to the currency by reference to which such returns are measured, due to, among other things, economic, political and other factors over which the Issuer have no control. Depreciation of the Singapore dollar against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to potential investors when the return on the Bonds is translated into the currency by reference to which such investment returns are measured. In addition, there may be tax consequences for potential investors as a result of any foreign exchange gains resulting from any investment in the Bonds.

There may be interest rate risks on an investment in the Bonds.

Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates. As the Bonds will carry a fixed interest rate, the trading price of the Bonds will consequently vary with the fluctuations in interest rates. If the Bondholders propose to sell their Bonds before their maturity, they may receive an offer lower than the amount they have invested.

Changes in market interest rates may adversely affect the value of the Bonds.

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

Bondholders are exposed to risks relating to Singapore taxation.

The Bonds are intended to be “**qualifying debt securities**” for the purposes of the Income Tax Act 1947 of Singapore (the “**Income Tax Act**”), subject to the fulfilment of certain conditions more particularly described in the section “*Taxation — Singapore Taxation*”. However, there is no assurance that the Bonds will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

The ability of the Issuer to make payments in respect of the Bonds may depend on the due performance by other parties to the transaction documents.

The ability of the Issuer to make payments in respect of the Bonds may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Trustee, the Paying Agents and/or the Registrar 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 Bonds, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Bondholders.

Risks relating to the Guarantor and the CGIF Guarantee

Other than the Guaranteed Amount (as defined below), not all amounts due in respect of the Bonds are guaranteed by CGIF.

Pursuant to the terms of the CGIF Guarantee, CGIF shall unconditionally and irrevocably guarantee to the Trustee, on behalf of the Bondholders, the full and punctual payment of each Guaranteed Amount. For the purposes of the CGIF Guarantee, “**Guaranteed Amount**” means:

- any Principal Amount and any Scheduled Interest which is overdue and unpaid (whether in whole or in part) by the Issuer under the Conditions and the Trust Deed;
- any Additional Accrued Interest; and
- any Trustee Expenses,

(in each case as defined in the CGIF Guarantee).

Subject to the terms of the CGIF Guarantee and the Trust Deed, if a Missed Payment Event has occurred and is continuing, CGIF shall pay the Guaranteed Amount relating to the Missed Payment Event to the Trustee or its order within thirty (30) calendar days of such Missed Payment Event, or in the case of a CGIF Acceleration Event, within thirty (30) calendar days from the date of the CGIF Acceleration Notice. Potential investors should be aware that CGIF has no obligation under the CGIF Guarantee to pay any amounts as a result of the Bonds being declared immediately due and payable due to any Event of Default arising other than in relation to Condition 10(a)(i) (*Non-Payment*) (being Conditions 10(a)(ii) (*Breach of other obligations*) to 10(a)(xii) (*Guarantee not in force*)). For more information, see also “— *Risks relating to the Bonds — The Trustee’s ability to accelerate the Bonds will be limited pursuant to the terms of the Trust Deed, and the Trustee may request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction*”.

A Guaranteed Amount does not include any increased costs, tax-related indemnity (but for the avoidance of doubt includes any additional amounts required to be paid to the Bondholders due to a tax deduction and the operation of Condition 9 (*Taxation*), provided that the Guaranteed Amount will only include the original amount which would have been due from the Issuer if no tax deduction were required), default interest, fees or any other amounts other than any Principal Amount, any Scheduled Interest, any Additional Accrued Interest and any Trustee Expenses (in each case, as defined in the CGIF Guarantee) payable by the Issuer to the Trustee or any Bondholders.

The obligations of the Guarantor under the CGIF Guarantee will be secondary obligations only.

The CGIF Guarantee will be governed by English law. Under English law generally, the liability of a guarantor (in this case, the Guarantor) is ancillary, or secondary, to that of the principal debtor (in this case, the Issuer), in the sense that the principal debtor remains primarily liable to creditors (in this case, the Trustee, on behalf of the Bondholders) and the guarantor’s liability depends upon the continued existence and validity of the principal debtor’s liability. The Guarantor’s liability under the CGIF Guarantee will therefore be co-extensive with that of the Issuer. Consequently, and in the absence of agreement to the contrary, a guarantor’s liability will normally be extinguished if the principal debtor’s obligation is void or unenforceable, has not yet arisen or has been released, or if a defence or right of set-off is available to the principal debtor.

Accordingly, English law guarantees in debt capital markets transactions customarily include provisions:

- aimed at protecting creditors by preserving a guarantor’s liability in circumstances where it would otherwise be discharged, for example, in the event of any unenforceability, illegality or, invalidity of any obligation of any person under any of the bond documents (such as a trust deed, agency agreement or guarantee) or any other document or security (“**Protective Provisions**”); and

- to the effect that the guarantor shall be liable as if it were the principal debtor and not merely a surety, and an indemnity, to provide that the guarantor will be liable as a primary obligor in the event that the original guaranteed obligations were to be set aside for any reason (“**Co-Principal Debtor Provisions**”).

Potential investors should therefore be aware that while the CGIF Guarantee does provide for certain customary Protective Provisions whereby the Guarantor’s liability is preserved (and shall remain in force) notwithstanding any act, omission, event or thing of any kind which, but for the Protective Provisions, would reduce, release or prejudice any of the Guarantor’s obligations, neither the CGIF Guarantee nor the Trust Deed provides for any Co-Principal Debtor Provisions. See “*Appendix A: Form of CGIF Guarantee*”.

Accordingly, in the event that the Issuer’s obligations under the Bonds, the Trust Deed and/or the Agency Agreement (i.e., the primary obligations which are the subject of the CGIF Guarantee) cease to exist in circumstances that are not contemplated by the Protective Provisions, the Trustee may not be able to make a claim under the CGIF Guarantee for any Guaranteed Amount in the event of a failure by the Issuer to meet its obligations under the Bonds (including, without limitation, a Missed Payment Event).

CGIF’s right to accelerate following a CGIF Acceleration Event.

Prospective investors should be aware that the Bonds may be redeemed in certain circumstances at the election of CGIF. At any time following the occurrence of a CGIF Acceleration Event, CGIF may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days’ notice to the Issuer, the Trustee and the CDP Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part, at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so CGIF may, give notice to the Bondholders, the Trustee and the CDP Paying Agent in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable).

A CGIF Acceleration Event will occur if:

- an Issuer Event of Default has occurred, where an Issuer Event of Default means (a) the occurrence of any of the events described in Condition 10(a)(i) (*Non-payment*) to Condition 10(a)(xii) (*Guarantee not in force*); or (b) the failure by the Issuer to pay when due the guarantee fees payable to the Guarantor in relation to the CGIF Guarantee provided to the Guarantor; or
- a Missed Payment Event (as defined in the Conditions) has occurred and is continuing and irrespective of whether or not CGIF has already paid any Guaranteed Amounts in respect of such Missed Payment Event; or
- any term or provision of the Conditions, the Trust Deed or the Agency Agreement has been amended, modified, varied, novated, supplemented, superseded, waived or terminated without the prior written consent of CGIF as required pursuant to the terms of the CGIF Guarantee, the Trust Deed or the Agency Agreement, as the case may be,

and CGIF has delivered a CGIF Acceleration Notice (substantially in the form of Schedule 5 (*Form of CGIF Acceleration Notice*) of the Trust Deed) to the Trustee in accordance with the Trust Deed.

The CGIF Acceleration Notice will, among other things, contain a written confirmation that CGIF will pay all unpaid Guaranteed Amounts.

Obligations of CGIF do not constitute an obligation of the Asian Development Bank.

The obligations of CGIF under the CGIF Guarantee will not constitute an obligation of the Asian Development Bank or any other contributors to CGIF. Bondholders’ recourse to CGIF under the CGIF Guarantee and any Bond Document (as defined in the Trust Deed) or any other document related to the issuance of the Bonds will therefore be limited solely to the assets of CGIF, which are all property and assets of CGIF held in trust in

accordance with the Articles of Agreement (as defined in the Conditions) and available from time to time to meet the liabilities of CGIF (“**CGIF Assets**”) and Bondholders will have no recourse to any assets of the Asian Development Bank or any other contributors to CGIF. For the avoidance of doubt, CGIF Assets do not include any assets of the Asian Development Bank or any other contributors to CGIF. Notwithstanding any other provisions under the CGIF Guarantee or any Bond Document (as defined in the Trust Deed) or any other document related to the issuance of the Bonds, neither the Asian Development Bank nor any other contributors to CGIF or the officers, employees or agents of the Asian Development Bank or any contributor to CGIF shall be subject to any personal liability whatsoever to any third party including the Trustee in connection with the operation of CGIF or under any Bond Document (as defined in the Trust Deed), any Guarantee Document (as defined in the CGIF Guarantee) or any other document related to the issuance of the Bonds. Neither Bondholders nor the Trustee may bring any actions against the Asian Development Bank as the trustee of CGIF or as contributor to CGIF or against any other contributors to CGIF or any of their respective officers, employees or agents in connection with the CGIF Guarantee.

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the Terms and Conditions of the Bonds (the “Conditions”) which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Bonds. All references to a “Condition” are to a condition in the Terms and Conditions of the Bonds.

The S\$[●] in aggregate principal amount of [●] per cent. senior unsecured guaranteed bonds due 2029 (the “Bonds”) of PowerDC Holdco Pte. Ltd. (the “Issuer”) are constituted by, are subject to, and have the benefit of, a trust deed dated [●] 2024 (as amended, restated, replaced and/or supplemented from time to time, the “Trust Deed”) between the Issuer, Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank, as guarantor (“CGIF” or the “Guarantor”) and The Bank of New York Mellon, Singapore Branch, as trustee (the “Trustee”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed) and are the subject of a guarantee agreement dated [●] 2024 (as amended, restated, replaced and/or supplemented from time to time, the “CGIF Guarantee”) between the Guarantor and the Trustee, and an agency agreement dated [●] 2024 (as amended, restated, replaced and/or supplemented from time to time, the “Agency Agreement”) between the Issuer, The Bank of New York Mellon, Singapore Branch as CDP paying agent (the “CDP Paying Agent”, which expression includes any successor CDP paying agent appointed from time to time in connection with the Bonds), The Bank of New York Mellon, Singapore Branch as registrar (the “Registrar”, which expression includes any successor registrar appointed from time to time in connection with the Bonds) and as the transfer agent (the “Transfer Agent”, which expression includes any successor or additional transfer agent(s) appointed from time to time in connection with the Bonds) and the Trustee. References herein to the “Paying Agents” includes the CDP Paying Agent and “Agents” are to the Registrar, the Transfer Agent and the Paying Agents and any reference to an “Agent” is to any one of them. The Bonds are issued with the benefit of a deed of covenant dated [●] 2024 (as amended, restated, replaced and/or supplemented from time to time, the “CDP Deed of Covenant”) relating to the Bonds executed by the Issuer.

Certain provisions of these terms and conditions (these “Conditions”) are summaries of the Trust Deed, the CGIF Guarantee, the Agency Agreement and the CDP Deed of Covenant and are subject to their detailed provisions. The Bondholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the CGIF Guarantee and the CDP Deed of Covenant and are deemed to have notice of those provisions of the Agency Agreement applicable to them. For so long as any Bond is outstanding, copies of the Trust Deed, the CGIF Guarantee, the Agency Agreement and the CDP Deed of Covenant are available (i) for inspection by Bondholders following prior written request and proof of holding and identity to the satisfaction of the CDP Paying Agent at all reasonable times during normal business hours (being between 9:00 a.m. (Singapore time) and 3:00 p.m. (Singapore time) from Monday to Friday (other than public holidays)) at the Specified Office of the CDP Paying Agent, the initial Specified Office of which is set out below, or (ii) electronically to the requesting Bondholder from the CDP Paying Agent following prior written request and proof of holding and identity to the satisfaction of the CDP Paying Agent.

1 FORM, DENOMINATION, STATUS AND GUARANTEE

- (a) **Form and denomination:** The Bonds are in registered form in the denomination of S\$250,000 (an “Authorised Denomination”).
- (b) **Status of the Bonds:** The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.
- (c) **Guarantee of the Bonds:** The payment obligations of the Issuer under the Bonds and the Trust Deed are unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with

and subject to the terms of, the CGIF Guarantee. Such obligations of the Guarantor under the CGIF Guarantee are direct, unconditional and general obligations of the Guarantor and rank *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any).

The CGIF Guarantee does not cover any relevant amounts of principal or accrued but unpaid interest that may become payable by the Issuer on the exercise by it of an early redemption option, including as a result of the Issuer's exercising its early redemption option for tax reasons (Condition 7(b) (Redemption for tax reasons), due to a Change of Control occurring (Condition 7(c) (Redemption in the event of a Change of Control)) or at its option (Condition 7(d) (Redemption at the option of the Issuer)). In order to mitigate any risk of the Issuer not paying the relevant amount of principal and/or accrued but unpaid interest arising out of or in connection with the Issuer exercising any of its rights of early redemption, the Issuer, in exercising its rights for redemption for tax reasons, due to a Change of Control occurring or at its own option, is required to, not less than one business day prior to the publication of any notice of redemption, transfer to a Singapore dollar account to be advised by the CDP Paying Agent for the benefit of the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds together with any interest accrued but unpaid to but excluding the relevant date fixed for redemption. The CGIF Guarantee also does not cover any relevant amounts of principal or accrued but unpaid interest that are payable under any Bonds purchased by the Issuer or any of its Subsidiaries.

- (d) **Limitation on the Guarantor's Liabilities:** Notwithstanding any other provisions of the CGIF Guarantee, the Trust Deed and the Agency Agreement, these Conditions or any other document related to the issuance of the Bonds, the recourse of the Bondholders against CGIF in respect of the CGIF Guarantee is limited solely to the CGIF Assets. By its holding of a Bond, each Bondholder will be deemed to acknowledge and accept that it, and the Trustee on its behalf, only has recourse to the CGIF Assets and neither the Trustee nor any Bondholder has recourse to any assets of the Asian Development Bank or any other contributors to the Guarantor. Any obligation under the CGIF Guarantee shall not constitute an obligation of the Asian Development Bank or any other contributors to the Guarantor.

By its holding of a Bond, and notwithstanding any other provisions of the CGIF Guarantee, the Trust Deed and the Agency Agreement, these Conditions or any other document related to the issuance of the Bonds, each Bondholder will be deemed to further acknowledge and accept that neither the Asian Development Bank nor any other contributors to the Guarantor or the officers, employees or agents of the Asian Development Bank or any contributor to the Guarantor shall be subject to any personal liability whatsoever to any third party, including each Bondholder, in connection with the operation of the Guarantor or under the CGIF Guarantee and no action may be brought against the Asian Development Bank, as the trustee of the Guarantor or as contributor to the Guarantor, or against any other contributors to the Guarantor or any of their respective officers, employees or agents by any third party including the Bondholders and the Trustee in connection with these Conditions.

2 DEFINITIONS

In these Conditions:

“**Acceleration Step**” has the meaning given to it in the Trust Deed;

“**Adjustment Spread**” means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to

Bondholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

- (a) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;
- (b) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or
- (c) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*)) (as the case may be) and having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest accrual period and in the same currency as the Bonds;

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*)) (as the case may be) determines in accordance with Condition 7(d)(ii)(B) (*Benchmark Replacement*) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or, if applicable, domestic debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Bonds (including, but not limited to, Singapore Government Bonds);

“**Articles of Agreement of CGIF**” means the articles of agreement of CGIF originally dated 11 May 2010, as amended on 27 November 2013, 31 May 2016, 23 May 2017, 31 May 2018, 16 May 2019, 1 August 2019 and 28 May 2024 (as may be further amended or supplemented from time to time);

“**Authorised Signatory**” has the meaning given to it in the Trust Deed;

“**Benchmark Amendments**” means with respect to any Benchmark Replacement, any technical, administrative or operational changes (including any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*)) (as the case may be) determines is reasonably necessary;

“**Benchmark Replacement**” means the Interpolated Benchmark, *provided that* if the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*)) (as the case may be) cannot determine the Interpolated Benchmark by the Make Whole Amount Determination Date, then “**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*)) (as the case may be):

- (a) the Successor Rate;
- (b) the ISDA Fallback Rate; and

(c) the Alternative Rate;

“**Bondholder**” means, in relation to a Bond, the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof);

“**business day**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in Singapore, Hong Kong, New York and Manila;

“**Calculation Agent**” means an independent investment bank of international repute selected by the Issuer and notified in writing to the Trustee;

“**Calculation Amount**” means S\$250,000;

“**CGIF Acceleration Event**” has the meaning given to it in Condition 7(e) (*Redemption in the event of a CGIF Acceleration Event*);

“**CGIF Assets**” means all property and assets of CGIF held in trust in accordance with the Articles of Agreement of CGIF and available from time to time to meet the liabilities of CGIF. For the avoidance of doubt, a CGIF Asset does not include any assets of the Asian Development Bank or any other contributors to CGIF;

“**Change of Control**” means:

- (a) DigitalBridge Group, Inc. and/or Digital Colony Management, LLC together with their respective DCP Affiliates and DCP Permitted Transferees collectively cease to (directly or indirectly) legally and beneficially own more than 50 per cent. of the issued share capital of, and Control, the Issuer;
- (b) Vantage Data Centers APAC Holdings Pte. Ltd. (formerly known as AgileDC Holdings Pte. Ltd.) ceases to (directly or indirectly) legally and beneficially own 100 per cent. of the issued share capital of, and Control, the Issuer;
- (c) (on and after the DCP Permitted Reorganisation Transfer Date) Vantage Data Centers APAC Holdings Pte. Ltd. (formerly known as AgileDC Holdings Pte. Ltd.) ceases to legally and beneficially own 100 per cent. of the issued share capital of, and Control, VDC PowerUp Pte. Ltd.;
- (d) (on and after the DCP Permitted Reorganisation Transfer Date) VDC PowerUp Pte. Ltd. ceases to legally and beneficially own 100 per cent. of the issued share capital of, and Control, the Issuer; or
- (e) the Issuer ceases to legally and beneficially own 100 per cent. of the issued shares in, and Control, Digital Treasure Holdings Limited;

“**Compliance Certificate**” means a certificate of the Issuer signed by an Authorised Signatory certifying that, to the best of the knowledge, information and belief of the Issuer as at a date (the “**Certification Date**”) not more than five days before the date of the certificate:

- (a) no Event of Default or Default had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an Event of Default or Default had occurred, setting forth the details thereof and the action the Issuer is taking or proposes to take with respect thereto; and
- (b) the Issuer has complied with all its obligations under the Bonds, the Trust Deed and/or the Agency Agreement or, if there has been any non-compliance, setting forth the details thereof and the action the Issuer is taking or proposes to take with respect thereto;

“**Control**” means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise, by:

- (a) possession, directly or indirectly, of more than 50 per cent. of the voting power of such Person; or
- (b) having the power, directly or indirectly, to appoint a majority of the board of directors or similar governing body of such person,

and the terms “**Controlled**” and “**under common Control with**” have, unless expressly provided otherwise, meanings correlative to the above;

“**Corresponding Tenor**” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

“**DCP Affiliate**” of a specified Person means any other person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with the specified person and shall include any entity which is managed and/or advised by any of its DCP Affiliates;

“**DCP Permitted Reorganisation Transfer Date**” means the date on which any transfer of shares from Vantage Data Centers APAC Holdings Pte. Ltd. (formerly known as AgileDC Holdings Pte. Ltd.) to VDC PowerUp Pte. Ltd. of the entire issued share capital of the Issuer occurs;

“**DCP Permitted Transferee**” means:

- (a) any fund, managed account or collective investment vehicle managed or advised by Digital Colony Management, LLC or a DCP Affiliate thereof (a “**DCP Fund**”); or
- (b) any DCP Affiliate of DigitalBridge Group, Inc. formed to invest in one or more DCP Funds;

“**Default**” means an event or circumstance which would, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 10 (*Events of Default*) become an Event of Default;

“**Event of Default**” has the meaning given to it in Condition 10 (*Events of Default*);

“**Extraordinary Resolution**” has the meaning given to it in Schedule 3 of the Trust Deed;

“**Group**” means the Issuer and its Subsidiaries (taken as a whole) from time to time, but excluding HKG51 SPV (each, a “**Group Member**”);

“**Guarantee**” means, in relation to any indebtedness of the Issuer, any obligation of another Person (other than CGIF) to pay such indebtedness including (without limitation):

- (a) any obligation to purchase such indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such indebtedness; and
- (d) any other agreement to be responsible for such indebtedness;

“**Guaranteed Amount**” has the meaning given to such term in clause 2.1(b) of the CGIF Guarantee;

“**Guaranteed Party**” has the meaning given to it in the CGIF Guarantee;

“**Guaranteed Party Acceleration Notice**” means a written notice delivered by the Trustee to CGIF pursuant to, and substantially in the form set out in the Trust Deed;

“Guarantor Default Interest Amount” means certain default interest payable by the Guarantor in the amount and at the rate as calculated in accordance with the CGIF Guarantee;

“HKG51” means a data centre situated at part of the Basement 1 Floor, Ground Floor, Workshops 1 and 2 and other parts of each of 1st, 2nd, 3rd, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 15th, 16th, 17th, 18th, 19th and 20th Floors, Section A, Section B and the remaining portion of Tsun Wan Inland Lot No. 49;

“HKG51 SPV” means VDC HKG51 Limited, a company incorporated in Hong Kong with limited liability which is established to hold, and which has no material assets other than, HKG51;

“Independent Adviser” means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the expense of the Issuer under Condition 7(d)(ii)(A) (*Independent Adviser*) and notified in writing to the Trustee;

“Interest Period” means each period beginning on (and including) the Issue 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 (and excluding) the next succeeding Interest Payment Date;

“Interpolated Benchmark” with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (2) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.;

“ISDA Fallback Adjustment” means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Issuer Event of Default” means:

- (a) the occurrence of any of the events described in Condition 10(a)(i) (*Non-payment*) to Condition 10(a)(xii) (*Guarantee not in force*); or
- (b) the failure by the Issuer to pay when due the guarantee fees payable to the Guarantor in relation to the CGIF Guarantee provided by the Guarantor;

“Make Whole Call Date” means [●];

“Make Whole Amount” means an amount equal to the greater of:

- (a) the Calculation Amount; and
- (b) an amount equal to the sum of:
 - (i) the present value of the principal amount of the Bonds discounted from the Make Whole Call Date; and

- (ii) the present value of the remaining scheduled interest payments due on such Bonds to and including the Make Whole Call Date.

The expression “present value” in (i) and (ii) above is to be calculated by discounting the relevant amounts to the date of redemption of the Bonds at the rate equal to the sum of:

- (1) the prevailing SGD SORA OIS corresponding to the duration of the remaining period to the Make Whole Call Date (the “**Make Whole Call Reference Rate**”) as of the close of business on the eighth business day prior to the date of redemption of the Bonds (the “**Make Whole Amount Determination Date**”), *provided that* if there is no quoted SGD SORA OIS corresponding to the relevant period, the “prevailing SGD SORA OIS” used will be the interpolated interest rate as calculated using the quoted SGD SORA OIS for the two periods most closely approximating the duration of the remaining period to the Make Whole Call Date and the actual number of days elapsed assuming a 365-day year; and
- (2) [●] per cent.;

“**Maturity Date**” means [●] 2029;

“**Missed Payment Event**” means the non-payment (not taking into account any grace period) of any Guaranteed Amount by the Issuer in accordance with these Conditions and the Trust Deed;

“**Non-Payment Event**” means the occurrence of an Event of Default thirty (30) calendar days after the occurrence of a Missed Payment Event in accordance with Condition 10(a)(i) (*Non-payment*) of these Conditions;

“**Officer’s Certificate**” means a certificate signed by an Authorised Signatory;

“**Original Reference Rate**” means, initially, SGD SORA OIS (being the originally-specified benchmark rate used to determine the Make Whole Amount), *provided that* if a SORA Index Cessation Event has occurred with respect to SGD SORA OIS or the then-current Original Reference Rate, then “**Original Reference Rate**” means the applicable Benchmark Replacement;

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

“**Relevant Indebtedness**” means any indebtedness which is in the form of or represented by any bond, note, loan stock, certificate or other investment security which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

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

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
 - (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates; (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); (iii) a group of the aforementioned central banks or other supervisory authorities; or (iv) the financial stability board or any part thereof;

“**Relevant Taxing Jurisdiction**” means the Republic of Singapore or any political subdivision or any authority thereof or therein having power to tax;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“**SGD SORA OIS**” means (A) the rate per annum which appears on the “OTC SGD OIS” page on Bloomberg under “BGN” appearing under the column headed “Ask” (or such substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time) for the relevant period, or (b) if a SORA Index Cessation Event has occurred in relation to the SGD SORA OIS, such rate as determined in accordance with Condition 7(d)(ii) (*Benchmark Discontinuation and Replacement*);

“**SORA Index Cessation Event**” means the occurrence of one or more of the following events:

- (a) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences by a specified date; or
- (e) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date, be deemed to be no longer representative; or
- (f) it has become unlawful for the CDP Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Bondholder using the Original Reference Rate,

provided that the SORA Index Cessation Event shall be deemed to occur

- (i) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be,
- (ii) in the case of subparagraph (d) above, on the date of the prohibition or restriction of use of the Original Reference Rate; and
- (iii) in the case of sub-paragraph (e) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement;

“**Specified Office**” means, in relation to any Agent, One Temasek Avenue, #02-01 Millenia Tower, Singapore 039192;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”) (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person; and

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate (which rate may be produced by the Monetary Authority of Singapore or such other administrator) for the Corresponding Tenor.

3 REGISTER, TITLE AND TRANSFERS

- (a) **Register:** The Registrar will maintain a register outside the United Kingdom (the “**Register**”) in respect of the Bonds in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register.

*Upon issue, the Bonds will be represented by a global certificate in the aggregate principal amount of the Bonds (the “**Global Certificate**”) substantially in the form scheduled to the Trust Deed and registered in the name of, and deposited with, The Central Depository (Pte) Limited (“**CDP**”). Interests in the Global Certificate shall be exchangeable for individual Certificates only in the circumstances set out therein.*

*The Bonds will be traded on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in a minimum board lot size of S\$200,000 for as long as the Bonds are listed on the SGX-ST and the listing rules of the SGX-ST so require.*

- (b) **Title:** Each Bondholder shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no person shall be liable for so treating such Bondholder.
- (c) **Transfers:** Subject to Conditions 3(f) (*Closed periods*) and 3(g) (*Regulations concerning transfers and registration*) below and the provisions of the Agency Agreement, a Bond may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed and executed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) the Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Bond may not be transferred unless the principal amount of Bonds transferred and (where not all the Bonds held by a Bondholder are being transferred) the principal amount of the balance of Bonds not transferred are Authorised Denominations. Where not all the Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor.

Transfers of interests in the Bonds represented by the Global Certificate will be effected in accordance with the rules and procedures for the time being of CDP.

- (d) **Registration and delivery of Certificates:** Within five (5) business days of the surrender of a Certificate in accordance with Condition 3(c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Bonds transferred to each relevant Bondholder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Bondholder) by uninsured mail to the address specified for the purpose by such relevant Bondholder. In this Condition 3(d) (*Registration and delivery of Certificates*), “**business day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

- (e) **No charge:** The transfer of a Bond will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but (i) against such payment or indemnity as the Registrar or (as the case may be) the Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer, (ii) upon the Registrar or (as the case may be) the Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application, and (iii) upon the Issuer and/or the Registrar and/or the Transfer Agent being satisfied that the Regulations (as defined in the Agency Agreement) concerning the transfer of Bonds have been complied with.
- (f) **Closed periods:** Bondholders may not require transfers of any Bond to be registered (i) during the period of fifteen (15) days ending on the due date for any payment of principal or interest in respect of the Bonds or (ii) after such Bond has been called for redemption.
- (g) **Regulations concerning transfers and registration:** All transfers of Bonds and entries on the Register are subject to the detailed regulations concerning the transfer of Bonds scheduled to the Agency Agreement. Such regulations may be changed by:
 - (i) the Issuer with the prior written approval of the Trustee and the Registrar; or
 - (ii) the Registrar with the prior written approval of the Trustee.

A copy of the current regulations will be mailed (free of charge to the Bondholder and at the Issuer's expense) by the Registrar to any Bondholder who requests in writing a copy of such regulations following proof of holding and identity to the satisfaction of the Registrar.

For so long as any of the Bonds are represented by the Global Certificate and the Global Certificate is held by CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Bond (in which regard any certificate or other document issued by CDP as to the principal amount of such Bond standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, the Registrar and the other Agents as the absolute holder of such principal amount of Bonds other than with respect to the payment of principal, interest and any other amounts in respect of the Bonds, for which purpose the registered holder of the Global Certificate shall be treated by the Issuer, the Trustee, the Registrar and the other Agents as the holder of such Bonds in accordance with and subject to the terms of the Global Certificate.

4 NEGATIVE PLEDGE

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall not create or permit to subsist any Security Interest upon the whole or any part of its present or future property, assets or revenues (including uncalled share capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security for the Bonds (i) that is not materially less beneficial to the interests of the Bondholders or (ii) as may be approved by an Extraordinary Resolution of the Bondholders. Notwithstanding anything herein, nothing in these Conditions shall apply to HKG51 or HKG51 SPV.

5 PROVISION OF FINANCIAL STATEMENTS AND REPORTS

So long as any of the Bonds remain outstanding, the Issuer shall:

- (a) provide to the Trustee a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance) within fourteen (14) days of a written request by the Trustee and also at the time of provision of the financial statements under Condition 5(b) below;

- (b) provide to the Trustee in the English language as soon as reasonably practicable after the time of their issue, but in each case in any event within one-hundred and eighty (180) calendar days after the end of each financial year of the Issuer, electronic copies of the Issuer’s financial statements (on a consolidated basis) in respect of such financial year (including a statement of comprehensive income, statement of financial position and cash flow statement) audited by a member firm of an internationally recognised firm of independent accountants;
- (c) forthwith after the Issuer becomes aware of the occurrence thereof, provide to the Trustee written notice of the occurrence of any Event of Default or Default and a Compliance Certificate; and
- (d) keep proper books of account and, so far as permitted by applicable law, and subject to compliance with the rules of any stock exchange on which the Issuer’s securities are listed, allow the Trustee and:
 - (i) any time prior to the occurrence of an Event of Default, anyone appointed by it, to whom the Issuer has no reasonable objection; and
 - (ii) any time after the occurrence of an Event of Default and where such Event of Default is continuing, anyone appointed by it,

access to the Issuer’s books of account at all reasonable times upon prior appointment during normal business hours.

6 INTEREST

- (a) **Accrual of interest:** The Bonds bear interest on their outstanding principal amount from time to time (as determined in accordance with Condition 7 (*Redemption and Purchase*)) from (and including) [●] 2024 (the “**Issue Date**”) at the rate of [●] per cent. per annum, (the “**Rate of Interest**”) payable semi-annually in arrear on [●] and [●], in each year (each, an “**Interest Payment Date**”), commencing [●] 2025, subject as provided in Condition 8 (*Payments*).
- (b) **Default interest:** Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate aforesaid per annum (both before and after an arbitral decision, judgment or other order of a court of competent jurisdiction) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (ii) the day which is seven (7) days after the CDP Paying Agent or the Trustee (as the case may be) has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh (7th) day (except to the extent that there is any subsequent default in payment).
- (c) **Calculation of Interest:** The amount of interest payable in respect of each Bond for any Interest Period shall be calculated by applying the Rate of Interest to the then outstanding principal amount of such Bond (as determined in accordance with Condition 7 (*Redemption and Purchase*)) and the actual number of days elapsed in such Interest Period and then dividing the product thereof by 365 and rounding the resulting figure to the nearest cent.

When interest is required to be calculated in respect of a period of less than an Interest Period, it shall be calculated on the basis of a 365-day year and the actual number of days elapsed.

7 REDEMPTION AND PURCHASE

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at 100 per cent. of their principal amount on the Maturity Date, subject as provided in Condition 8 (*Payments*).
- (b) **Redemption for tax reasons:**

- (i) The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders in accordance with Condition 16 (*Notices*) and to the Guarantor, the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable) at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption, if, immediately before giving such notice, the Issuer notifies the Trustee that:
- (A) the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Relevant Taxing Jurisdiction or any change in the application or official interpretation of such laws or regulations (including, but not limited to, a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after [●] 2024 and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
 - (B) the Guarantor has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 (*Taxation*) or the CGIF Guarantee, as the case may be, as a result of any change in, or amendment to, the laws or regulations of the Republic of the Philippines (the "**Philippines**") 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 or regulations (including, but not limited to, a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after [●] 2024 and such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, however, that in any event:

- (1) no such notice of redemption shall be given earlier than one-hundred and eighty (180) days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Amounts if a payment in respect of the Bonds were then due; and
- (2) not less than five (5) business days prior to the publication of any notice of redemption pursuant to this Condition 7(b) (*Redemption for tax reasons*), the Issuer shall deliver or procure that there is delivered to the Trustee and the Guarantor:
 - (x) an Officer's Certificate of the Issuer stating that the circumstances referred to in Condition 7(b)(i)(A) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by an authorised officer of the Guarantor stating that the circumstances referred to in Condition 7(b)(i)(B) above prevail and setting out details of such circumstances; and
 - (y) an opinion in form and substance satisfactory to the Trustee from independent legal or tax advisers of recognised standing to the effect that the Issuer or the Guarantor (as the case may be) has or will become obliged to pay such Additional Amounts as a result of such change or amendment.

The Trustee shall be entitled to accept and rely conclusively upon (without further enquiry) any such Officer's Certificate, certificate and/or opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Bondholders, and the Trustee shall be protected and shall have no liability to any Bondholder or any person for so accepting and relying on such Officer's Certificate, certificate or opinion;

- (3) the CDP Paying Agent is informed of the proposed redemption at least thirty (30) days prior to the publication of any notice of redemption pursuant to this Condition 7(b) (*Redemption for tax reasons*); and
 - (4) not less than one (1) business day prior to the publication of any notice of redemption pursuant to this Condition 7(b) (*Redemption for tax reasons*), the Issuer shall irrevocably transfer to a Singapore dollar account as advised by the CDP Paying Agent for distribution to the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at their principal amount together with any interest accrued but unpaid to but excluding the relevant date fixed for redemption.
 - (ii) If the Issuer fails to comply with any of the requirements of the foregoing provisions of this Condition 7(b) (*Redemption for tax reasons*), any notice of redemption purported to be delivered pursuant to this Condition 7(b) (*Redemption for tax reasons*) shall be void and of no effect, but this shall not affect, release or otherwise discharge any of the Issuer's or the Guarantor's other obligations under these Conditions, the Trust Deed or the CGIF Guarantee.
 - (iii) Upon the expiry of any such notice as is referred to in this Condition 7(b) (*Redemption for tax reasons*) and satisfaction of the other requirements specified in this Condition 7(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(b) (*Redemption for tax reasons*) and the CDP Paying Agent shall apply all monies delivered to it pursuant to Condition 7(b)(i)(4) above in redemption of the Bonds in accordance with these Conditions, the Agency Agreement and the Trust Deed.
- (c) **Redemption in the event of a Change of Control:**
 - (i) If a Change of Control occurs, the Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time within ninety (90) days following such occurrence, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders in accordance with Condition 16 (*Notices*) and to the Guarantor, the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable) at 101 per cent. of their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption, *provided, however, that*, in any event:
 - (1) the CDP Paying Agent is informed of the proposed redemption at least thirty (30) days prior to the publication of any notice of redemption pursuant to this Condition 7(c) (*Redemption in the event of a Change of Control*); and
 - (2) not less than one (1) business day prior to the publication of any notice of redemption pursuant to this Condition 7(c) (*Redemption in the event of a Change of Control*), the Issuer shall irrevocably transfer to a Singapore dollar account as advised by the CDP Paying Agent for distribution to the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at their principal amount together with any interest accrued but unpaid to but excluding the relevant date fixed for redemption.
 - (ii) If the Issuer fails to comply with any of the requirements of the foregoing provisions of this Condition 7(c) (*Redemption in the event of a Change of Control*), any notice of redemption purported to be delivered pursuant to this Condition 7(c) (*Redemption in the event of a Change of Control*) shall be void and of no effect, but this shall not affect, release or otherwise discharge any of the Issuer's or the Guarantor's other obligations under these Conditions, the Trust Deed or the CGIF Guarantee.

- (iii) Upon the expiry of any such notice as is referred to in this Condition 7(c) (*Redemption in the event of a Change of Control*) and satisfaction of the other requirements specified in this Condition 7(c) (*Redemption in the event of a Change of Control*), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(c) (*Redemption in the event of a Change of Control*) and the CDP Paying Agent shall apply all monies delivered to it pursuant to Condition 7(c)(i)(2) above in redemption of the Bonds in accordance with these Conditions, the Agency Agreement and the Trust Deed.

(d) **Redemption at the option of the Issuer:**

- (i) At any time on or after the Issue Date, the Issuer may, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders in accordance with Condition 16 (*Notices*) and to the Guarantor, the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable), redeem the Bonds (in whole, but not in part) on any Business Day *provided that* the Issuer has appointed a Calculation Agent prior to the date on which such notice is given, and *provided further that*:
 - (A) in the case of a redemption of any Bonds on any Business Day that is prior to the Make Whole Call Date, such Bonds will be redeemed at the Make Whole Amount per Calculation Amount; and
 - (B) in the case of a redemption of any Bonds on any Business Day from (and including) the Make Whole Call Date, such Bonds will be redeemed at their principal amount,

in each case, together with interest accrued but unpaid to but excluding the date fixed for redemption, *provided, however, that*, in any event:

- (1) if the Issuer fails to select a Calculation Agent prior to the date on which notice to Bondholders of its intention to redeem the Bonds is given in accordance with Condition 7(d) (*Redemption at the option of the Issuer*), the Issuer shall not be entitled to so redeem the Bonds;
 - (2) the CDP Paying Agent is informed of the proposed redemption at least thirty (30) days prior to the publication of any notice of redemption pursuant to this Condition 7(d) (*Redemption at the option of the Issuer*); and
 - (3) not less than one (1) business day prior to the publication of any notice of redemption pursuant to this Condition 7(d) (*Redemption at the option of the Issuer*), the Issuer shall irrevocably transfer to a Singapore dollar account as advised by the CDP Paying Agent for distribution to the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at the Make Whole Amount or at their principal amount, as the case may be, together with any interest accrued but unpaid to but excluding the relevant date fixed for redemption.
- (ii) **Benchmark Discontinuation and Replacement:**
 - (A) *Independent Adviser*: Notwithstanding the provisions above in this Condition 7(d), if a SORA Index Cessation Event occurs in relation to the Original Reference Rate when any Make Whole Amount (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 7(d)(ii)(B) (*Benchmark Replacement*)) and an Adjustment Spread, if any (in accordance with

Condition 7(d)(ii)(C) (*Adjustment Spread*) below) and any Benchmark Amendments (in accordance with Condition 7(d)(ii)(D) (*Benchmark Amendments*) below) by the Make Whole Amount Determination Date.

An Independent Adviser appointed pursuant to this Condition 7(d) (*Redemption at the option of the Issuer*) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Guarantor, the Trustee, the CDP Paying Agent or the Bondholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 7(d) (*Redemption at the option of the Issuer*).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the Make Whole Amount Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 7(d)(ii)(B) (*Benchmark Replacement*) below) and an Adjustment Spread if any (in accordance with Condition 7(d)(ii)(C) (*Adjustment Spread*) below) and any Benchmark Amendments (in accordance with Condition 7(d)(ii)(D) (*Benchmark Amendments*) below).

- (B) *Benchmark Replacement*: The Benchmark Replacement determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*) above) shall (subject to adjustments as provided for in Condition 7(d)(ii)(C) (*Adjustment Spread*) below) subsequently be used in place of the Original Reference Rate to determine the Make Whole Amount (or the relevant component part thereof) (subject to the operation of this Condition 7(d) (*Redemption at the option of the Issuer*)).
- (C) *Adjustment Spread*: If the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*) above) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.
- (D) *Benchmark Amendments*: If the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(d)(ii)(A) (*Independent Adviser*) above) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7(d)(ii)(E) (*Notices, etc.*) below), without any requirement for the consent or approval of Bondholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the CDP Paying Agent) the CDP Paying Agent and (if the Benchmark Amendments affect the Calculation Agent) the Calculation Agent of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 7(d)(ii)(E) (*Notices, etc.*)), the Guarantor, the Trustee, the CDP Paying Agent and (if applicable) the Calculation Agent shall (at the expense of the Issuer), without any requirement for the consent or

approval of the Bondholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), *provided that* the Trustee, the CDP Paying Agent and (if applicable) the Calculation Agent shall not be obliged so to concur if in the opinion of, as the case may be, the Trustee, the CDP Paying Agent or (if applicable) the Calculation Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the CDP Paying Agent or the Calculation Agent (as the case may be) in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way.

For the avoidance of doubt, the Guarantor, the Trustee, the CDP Paying Agent and (if applicable) the Calculation Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(d)(ii) (*Benchmark Discontinuation and Replacement*). Bondholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Guarantor, the Trustee, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agent (if required). The consent of the Guarantor shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee in this Condition 7(d)(ii) (*Benchmark Discontinuation and Replacement*). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agent shall be responsible or liable for any determinations, decisions or elections made by the Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 7(d)(ii)(D) (*Benchmark Amendments*), the Issuer shall comply with the rules of any stock exchange on which the Bonds are for the time being listed or admitted to trading.

- (E) *Notices, etc.*: The occurrence of a SORA Index Cessation Event shall be determined by the Issuer and any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(d)(ii)(E) (*Notices, etc.*) will be notified promptly by the Issuer to the Guarantor, the Trustee, the Calculation Agent, the CDP Paying Agent and, in accordance with Condition 16 (*Notices*), the Bondholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Replacement, any related Adjustment Spread and of the Benchmark Amendments, if any. For the avoidance of doubt, none of the Trustee, the Calculation Agent or the Agents shall have any responsibility for making such determination.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories of the Issuer:

- (x) confirming:
- (1) that a SORA Index Cessation Event has occurred;
 - (2) the Benchmark Replacement; and

- (3) where applicable, any Adjustment Spread, and/or the specific terms of any Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Condition 7(d) (*Redemption at the option of the Issuer*); and

- (y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

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

- (F) *Survival of the Original Reference Rate*: Without prejudice to the obligations of the Issuer under Conditions 7(d)(ii)(A) (*Independent Adviser*), 7(d)(ii)(B) (*Benchmark Replacement*), 7(d)(ii)(C) (*Adjustment Spread*) and 7(d)(ii)(D) (*Benchmark Amendments*) above, the Original Reference Rate and the fallback provisions provided for in this Condition 7(d) (*Redemption at the option of the Issuer*) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any applicable Adjustment Spread and Benchmark Amendments, in accordance with Condition 7(d)(ii)(E) (*Notices, etc.*) above.

- (iii) If the Issuer fails to comply with any of the requirements of the foregoing provisions of this Condition 7(d) (*Redemption at the option of the Issuer*), any notice of redemption purported to be delivered pursuant to this Condition 7(d) (*Redemption at the option of the Issuer*) shall be void and of no effect, but this shall not affect, release or otherwise discharge any of the Issuer's or the Guarantor's other obligations under these Conditions, the Trust Deed or the CGIF Guarantee.

- (iv) Upon the expiry of any such notice as is referred to in this Condition 7(d) (*Redemption at the option of the Issuer*) and satisfaction of the other requirements specified in this Condition 7(d) (*Redemption at the option of the Issuer*), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(d) (*Redemption at the option of the Issuer*) and the CDP Paying Agent shall apply all monies delivered to it pursuant to Condition 7(d)(i)(3) above in redemption of the Bonds in accordance with these Conditions, the Agency Agreement and the Trust Deed.

(e) **Redemption in the event of a CGIF Acceleration Event:**

- (i) At any time following the occurrence of a CGIF Acceleration Event, the Guarantor may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days' notice to the Issuer, the Trustee and the CDP Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so the Guarantor may, give notice to the Bondholders in accordance with Condition 16 (*Notices*) and to the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable).
- (ii) For the purposes of this Condition 7(e) (*Redemption in the event of a CGIF Acceleration Event*), a "CGIF Acceleration Event" occurs if:

- (a) an Issuer Event of Default occurs; or
- (b) a Missed Payment Event has occurred and is continuing and irrespective of whether or not the Guarantor has already paid any Guaranteed Amounts in respect of such Missed Payment Event; or
- (c) any term or provision of these Conditions, the Trust Deed or the Agency Agreement has been amended, modified, varied, novated, supplemented, superseded, waived or terminated without the prior written consent of the Guarantor as required pursuant to the terms of the CGIF Guarantee, these Conditions, the Trust Deed or the Agency Agreement, as the case may be,

and the Guarantor has delivered a CGIF Acceleration Notice to the Trustee in accordance with the Trust Deed.

- (iii) In this Condition 7(e) (*Redemption in the event of a CGIF Acceleration Event*), a “**CGIF Acceleration Notice**” shall mean a written notice delivered by the Guarantor to the Trustee pursuant to, and substantially in the form set out in, the Trust Deed.
- (iv) The Trustee shall be entitled to accept and rely conclusively upon (without further enquiry) a CGIF Acceleration Notice as sufficient evidence of the Guarantor’s agreement to pay all outstanding Guaranteed Amounts, and such CGIF Acceleration Notice shall be conclusive and binding on the Bondholders.
- (v) Upon the relevant date fixed for redemption specified in any CGIF Acceleration Notice and notified to the Bondholders in accordance with Condition 16 (*Notices*) and to the Trustee and the Paying Agent in writing, the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(e) (*Redemption in the event of a CGIF Acceleration Event*) and the Guarantor shall be bound to pay all Guaranteed Amounts outstanding as set out in the CGIF Acceleration Notice within thirty (30) calendar days from the date of such CGIF Acceleration Notice.
- (f) **Purchase:** The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price.
- (g) **Cancellation:** All Bonds so redeemed or purchased by the Issuer or any of its Subsidiaries may be cancelled and may not be reissued or resold. Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 10 (*Events of Default*), 14(a) (*Meetings of Bondholders*) and 15 (*Enforcement*).
- (h) **No other redemption:** The Issuer and the Guarantor shall not be entitled to redeem the Bonds otherwise than as provided in Conditions 7(a) (*Scheduled redemption*) to 7(e) (*Redemption in the event of a CGIF Acceleration Event*) (inclusive) above.
- (i) **Calculations:** Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption delivered pursuant to Conditions 7(b) (*Redemption for tax reasons*), 7(c) (*Redemption in the event of a Change of Control*) or 7(d) (*Redemption at the option of the Issuer*) or any CGIF Acceleration Notice delivered pursuant to Condition 7(e) (*Redemption in the event of a CGIF Acceleration Event*) or have any duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto and none of them shall be liable to the Bondholders, the Issuer, the Guarantor or any other person for not doing so.

8 PAYMENTS

- (a) **Principal:** Payments of principal or premium (if any) shall be made by transfer to a Singapore dollar account maintained by the payee with a bank and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of the CDP Paying Agent.
- (b) **Interest:** Payments of interest shall be made by transfer to a Singapore dollar account maintained by the payee with a bank and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of the CDP Paying Agent.
- (c) **Payments subject to fiscal laws:** Without prejudice to the provisions of Condition 9 (*Taxation*), payments will be subject in all cases to:
 - (i) any applicable fiscal or other laws and regulations applicable thereto in the place of payment;
 - (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof; or
 - (iii) any law implementing an intergovernmental approach thereto.

No commissions or expenses shall be charged to the Bondholders in respect of such payments made pursuant to this Condition 8(c) (*Payments subject to fiscal laws*).

- (d) **Payments on business days:** Payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated:
 - (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent; and
 - (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment *provided that* if such date falls on a day which is not a business day, it shall be postponed to the next day which is a business day.

A Bondholder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day.

In this Condition 8(d) (*Payments on business days*), “**business day**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in Singapore and Manila and, in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed).

- (e) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Bond, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.
- (f) **Record date:** Each payment in respect of a Bond will be made to the person shown as the Bondholder in the Register at the close of business in the place of the Registrar’s Specified Office on the fifteenth (15th) day before the due date for such payment (the “**Record Date**”).

So long as the Global Certificate is held on behalf of CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Bond shall be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

9 TAXATION

All payments of principal, premium (if any) and interest in respect of the Bonds by or on behalf of the Issuer or 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 on behalf of Singapore (in the case of the Issuer), the Philippines (in the case of the Guarantor) or, in either case, any tax authority or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event that any such withholding or deduction is so required by law, the Issuer or (in the case of a withholding or deduction required to be made by the Guarantor) the Guarantor shall pay such additional amounts (“**Additional Amounts**”) as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Bond:

- (a) held by a Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or, as the case may be, payments made by the Guarantor by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Bond;
- (b) where (in the case of a payment of principal or interest on redemption) the relevant Certificate is surrendered for payment more than thirty (30) days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such Additional Amounts if it had surrendered the relevant Certificate on the last day of such period of thirty (30) days; or
- (c) held by, or on behalf of, a Bondholder who would be eligible to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

In these Conditions, “**Relevant Date**” means whichever is the later of: (i) the date on which the payment in question first becomes due; and (ii) if the full amount payable has not been received by the Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.

If any such deduction or withholding shall be required and if the Issuer or (as the case may be) the Guarantor therefore becomes liable to pay any Additional Amounts, then at least five (5) business days prior to each payment date, the Issuer or (as the case may be) the Guarantor shall furnish the Paying Agents with a certificate that specifies the amount required to be withheld on such payment date to Bondholders and the Additional Amounts due to Bondholders and that the Issuer or (as the case may be) the Guarantor shall pay in a timely manner such amount to be withheld to the appropriate government agency, and the Issuer or (as the case may be) the Guarantor will pay to the Paying Agents such Additional Amounts as shall be required to be paid to such Bondholders.

Any reference in these Conditions to principal, premium or interest shall be deemed to include any additional amounts in respect of principal, premium or interest (as the case may be) which may be payable under this Condition 9 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 9 (*Taxation*) pursuant to the Trust Deed.

If the Issuer or the Guarantor, as the case may be, becomes subject at any time to any taxing jurisdiction other than Singapore (in the case of the Issuer) or the Philippines (in the case of the Guarantor), references in these Conditions to Singapore or the Philippines shall be construed as references to Singapore or the Philippines (as the case may be) and/or such other jurisdiction.

Neither the Trustee nor the Agents shall be responsible for paying any tax, duty, assessment, charge, withholding or other payment referred to in this Condition 9 (*Taxation*) or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, the Bondholders or any other person to pay such tax, duty, assessment, charge, withholding or other payment in any jurisdiction or to provide any notice or information to the Bondholders that would permit, enable or facilitate the payment of any principal, premium, interest or other amount under or in respect of the Bonds without deduction or withholding for on account of any tax, duty, assessment, charge, withholding or other payment imposed by or in any jurisdiction.

10 EVENTS OF DEFAULT

(a) If any of the following events occurs and is continuing (each, an “**Event of Default**”), then the Trustee shall comply with the limitations on acceleration as set out in Conditions 10(b) to 10(d) below to the extent applicable:

- (i) **Non-payment:** the Issuer or the Guarantor fails to pay any amount of principal or premium in respect of the Bonds or fails to pay any amount of interest in respect of the Bonds, in each case within thirty (30) calendar days after the due date for payment thereof; or
- (ii) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds or the Trust Deed and such default (A) is incapable of remedy or (B) being a default which is capable of remedy remains unremedied for thirty (30) calendar days after the Trustee has given written notice thereof to the Issuer; or
- (iii) **Cross-default:**
 - (A) any present or future indebtedness of any Group Member is not paid when due or (as the case may be) within any originally applicable grace period; or
 - (B) any such indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of (x) any Group Member or (y) (*provided that* no event of default, howsoever described, has occurred) any person entitled to such indebtedness; or
 - (C) any Group Member fails to pay when due any amount payable by it under any guarantee of any indebtedness;

provided that the amount of indebtedness referred to in sub-paragraph (A) and/or sub-paragraph (B) above of this Condition 10(a)(iii) (*Cross-default*) and/or the amount payable under any Guarantee referred to in sub-paragraph (C) above of this Condition 10(a)(iii) (*Cross-default*), individually or in the aggregate, exceeds U.S.\$5,000,000 (or its equivalent in any other currency or currencies); or

- (iv) **Unsatisfied judgment:** one or more judgment(s) or order(s) for the payment of an individual amount in excess of U.S.\$2,000,000 (or its equivalent in any other currency or currencies) is rendered against any Group Member, is not subject to any further ability to object or appeal and continue(s) unsatisfied and unstayed for a period of ninety (90) calendar days after the date(s) thereof or, if later, the date therein specified for payment; or

- (v) **Security enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or substantially all of the undertaking, assets and revenues of any Group Member *provided that* no Event of Default under this Condition 10(a)(v) (*Security enforced*), will occur where such relevant corporate action, legal proceedings or other procedure or step is taken in relation to indebtedness not exceeding U.S.\$5,000,000 (or its equivalent in any other currency or currencies); or
- (vi) **Insolvency, etc.:**
 - (A) any Group Member becomes insolvent or is unable to pay all or substantially all of its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts (as and when such debts fall due);
 - (B) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of any Group Member for the whole or substantially all of the undertaking, assets and revenues of any Group Member;
 - (C) any Group Member takes any proceeding under any law for a readjustment or deferment of all or substantially all of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or substantially all of its indebtedness or any Guarantee of any such indebtedness given by it; or
 - (D) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of any Group Member,

in each case, which has not been discharged or stayed within sixty (60) calendar days or any Group Member ceases to carry on all or substantially all of its business, except (x) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, or (y) on terms approved by an Extraordinary Resolution of the Bondholders; or

- (vii) **Enforcement proceedings:** a distress, attachment, execution or legal process is levied, enforced or sued out on or against all or any material part of the assets of any Group Member having an aggregate value which exceeds U.S.\$5,000,000 (or its equivalent in any other currency or currencies) and is not removed, dismissed or discharged within ninety (90) calendar days; or
- (viii) **Analogous event:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Conditions 10(a)(iv) (*Unsatisfied judgment*) to 10(a)(vii) (*Enforcement proceedings*) (inclusive) above; or
- (ix) **Nationalisation:** an order of a competent authority is made with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of any Group Member, except where any of the aforesaid events will not have a material adverse effect on the ability of any Group Member to fulfil its obligations under the Bonds;
- (x) **Failure to take action, etc.:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (A) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds, the Trust Deed or the Agency Agreement; (B) to ensure that those obligations are legal, valid, binding and enforceable; and (C) to make the Bonds, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Singapore is not taken, fulfilled or done; or

- (xi) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds or the Trust Deed *provided that* no Event of Default under this Condition 10(a)(xi) (*Unlawfulness*) will occur if the relevant event or circumstance is capable of remedy and is remedied within thirty (30) calendar days of the earlier of (A) the Trustee has given written notice thereof to the Issuer and (B) the Issuer becoming aware of event or circumstance; or
- (xii) **Guarantee not in force:** the CGIF Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

Notwithstanding anything herein, nothing in these Conditions shall apply to HKG51 or HKG51 SPV.

- (b) Subject to clause 2.1 (*Guarantee*) of the CGIF Guarantee and clause 3.2 (*Missed Payment Event*) and clause 3.3 (*Acceleration*) of the Trust Deed, if a Missed Payment Event has occurred and is continuing, the Guarantor shall pay the Guaranteed Amount relating to the Missed Payment Event to the Guaranteed Party within thirty (30) calendar days of such Missed Payment Event.
- (c) The Trustee has undertaken in the Trust Deed that it shall not take an Acceleration Step unless the Guarantor has failed to make payment of a Guaranteed Amount such that a Non-Payment Event has occurred and is continuing (a “**Guaranteed Party Acceleration**”). Pursuant to the Trust Deed, neither the Trustee nor any Bondholder shall be entitled to take an Acceleration Step against the Issuer or the Guarantor unless a Guaranteed Party Acceleration has occurred or with the prior written consent of the Guarantor and, in the event that an Acceleration Step is taken in contravention of such provision, the Guarantor shall not be required to pay any amounts in respect of such Acceleration Step.
- (d) Upon the occurrence of a Guaranteed Party Acceleration and if the Guaranteed Amounts are not paid by the Issuer in accordance with these Conditions and the Trust Deed following such Guaranteed Party Acceleration, the Trustee may at its sole discretion and, if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds or if so directed to do so by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction in all cases) deliver in accordance with the Trust Deed a Guaranteed Party Acceleration Notice in respect of the aggregate of the unpaid Guaranteed Amounts and the Guarantor Default Interest Amount (if any) to be paid by CGIF in accordance with the CGIF Guarantee.
- (e) The Trustee and the Agents shall not be obliged to take any steps to ascertain whether a Default or an Event of Default has occurred or may occur or to monitor the occurrence of any Default or Event of Default, and shall not be liable to the Bondholders or any other person for not doing so.

11 PRESCRIPTION

Claims for principal, premium and interest on redemption shall become void unless the relevant Certificates are surrendered for payment within a period of ten (10) years (in the case of principal or premium) and five years (in the case of interest) after the appropriate Relevant Date.

12 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13 TRUSTEE AND AGENTS

Pursuant to the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or pre-funded to its satisfaction and relieved from responsibility in certain circumstances and to be paid its fees, costs, expenses, indemnity payments and other amounts in priority to the claims of the Bondholders. In addition, the Trustee, the Agents and their respective directors, officers, shareholders and affiliates are entitled to enter into business transactions with the Issuer, the Guarantor and any entity related (directly or indirectly) to the Issuer or the Guarantor without accounting for any profit.

In the exercise of its powers, functions, rights, authorities and discretions under these Conditions, the Trust Deed and the CGIF Guarantee, the Trustee will have regard to the interests of the Bondholders as a class and will not be responsible for any consequence for individual Bondholders as a result of any circumstances particular to individual holders of Bonds, including but not limited to such Bondholders being connected in any way with a particular territory or taxing jurisdiction.

The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of these Conditions, the Trust Deed, the CGIF Guarantee or any other document relating thereto, any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these Conditions, the Trust Deed, the CGIF Guarantee or any other document relating thereto. In addition, the Trustee shall not be responsible for the effect of the exercise of any of its powers, duties and discretions hereunder or under the Trust Deed, the CGIF Guarantee or any other document relating thereto.

In acting under the Agency Agreement and in connection with the Bonds, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders.

The Issuer and the Guarantor reserve the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or paying agent and additional or successor paying agents and transfer agents; *provided, however, that* the Issuer and the Guarantor shall at all times maintain (a) a registrar outside the United Kingdom; (b) a Paying Agent having a specified office in Singapore; and (c) such other agents as may be required by any stock exchange on which the Bonds may be listed.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*).

14 MEETINGS OF BONDHOLDERS; MODIFICATION AND WAIVER

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including without limitation the modification of any provision of these Conditions or the Trust Deed or the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer, the Guarantor or by the Trustee and shall be convened by the Trustee upon the request in writing of Bondholders holding not less than ten per cent. of the aggregate principal amount of the outstanding Bonds and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing one more than 50 per cent. of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, one or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; *provided, however, that* certain proposals (including any proposal (i) to change any date fixed for payment of principal or interest in respect of the Bonds, (ii) to reduce the amount of principal or interest

payable on any date in respect of the Bonds, (iii) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, (iv) to change the currency of payments under the Bonds, (v) sanctioning, or directing the Trustee to concur in, the amendment of the terms of the CGIF Guarantee or the provisions of clause 2.5 (*Guarantee and Indemnity*) and 7.2 (*The CGIF Guarantee*) of the Trust Deed in so far as they relate to the CGIF Guarantee, (vi) to change the quorum requirements relating to meetings or (vii) to change the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or representing not less than 66 2/3 per cent. or, at any adjourned meeting, 25 per cent. of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders under the Trust Deed and who hold not less than 75 per cent. of the aggregate principal amount of the Bonds outstanding, shall for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) **Modification and waiver:** The Trustee may, with the consent of the Guarantor but without the consent of the Bondholders, agree, but shall not be obliged to agree:
- (i) to any modification of the Bonds, these Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) if such modification will not be materially prejudicial to the interests of Bondholders; and
 - (ii) to any modification of the Bonds, these Conditions, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error or which is necessary to comply with mandatory provisions of law.

For the avoidance of doubt, the consent of the Guarantor or the Bondholders shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee as contemplated in Condition 7(d)(ii) (*Benchmark Discontinuation and Replacement*).

In addition, the Trustee may with the consent of the Guarantor but without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Bonds, these Conditions, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if the interests of the Bondholders will not be materially prejudiced thereby, *provided that* the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 10 (*Events of Default*).

Any such authorisation, waiver or modification shall be binding on the Bondholders and unless the Trustee agrees otherwise in writing, any such authorisation, waiver or modification shall be notified to the Bondholders by or on behalf of the Issuer in accordance with Condition 16 (*Notices*) by the Issuer as soon as reasonably practicable thereafter.

Any modification or waiver to the Bonds, these Conditions (including in respect of a Reserved Matter), the Trust Deed, or the Agency Agreement which requires the consent of the Bondholders shall also require the consent of the Guarantor.

- (c) **Directions from Bondholders:** Notwithstanding anything to the contrary in the Bonds, the Trust Deed and/or the Agency Agreement, whenever the Trustee is required or entitled by the terms in the Bonds,

the Trust Deed and/or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions from the Bondholders by way of an Extraordinary Resolution and seek clarification of any such directions and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarifications, or in the event the instructions sought are not provided by Bondholders.

- (d) **Certificates and Reports:** The Trustee may accept and shall be entitled to rely without further investigation or enquiry and without liability to Bondholders on a report, advice, opinion, confirmation or certificate from any lawyers, valuers, accountants (including auditors and surveyors), financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall not be responsible or liable to the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, confirmation, opinion or certificate or advice.

15 ENFORCEMENT

Subject to the terms of the Trust Deed and Condition 10(c), the Trustee may at any time, at its discretion and without notice, institute such actions, steps and proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Bonds, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the Bondholders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified and/or provided with security and/or pre-funded to its satisfaction.

No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

16 NOTICES

Notices to Bondholders will be valid if published in the English language or a certified translation into the English language and (a) published in a daily newspaper of general circulation in Singapore (which is expected, but is not required, to be *The Business Times*) or for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at <http://www.sgx.com>, or (b) despatched by prepaid ordinary post to Bondholders at their addresses appearing in the Register (in the case of joint holders to the address of the holder whose name stands first in the Register). Any such notice shall be deemed to have been given on the date of publication or despatch to the Bondholders, as the case may be.

Until such time as any definitive Certificates are issued, so long as the Global Certificate is registered in the name of CDP, notices to Bondholders will only be valid if despatched by ordinary post (by airmail if to another country) to persons who are for the time being shown in the records of CDP as the holders of the Bonds or, if the rules of CDP permit and CDP so agrees, delivered to CDP for communication by it to the Bondholders, except that if the Bonds are listed on the SGX-ST, notice may be published in accordance with the preceding paragraph. Any such notice shall be deemed to have been given to the Bondholders on the date of despatch to the holders of Bonds or, as the case may be, on the date of delivery of the notice to CDP.

17 CURRENCY INDEMNITY

If any sum due from the Issuer in respect of any payments to the Trustee under clause 14 (*Remuneration and Indemnification of Trustee*) of the Trust Deed and any payments in respect of the Agents under clause 14 (*Indemnity*) and clause 17 (*Commissions, Fees and Expenses*) of the Agency Agreement or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under the Trust Deed and/or the Agency Agreement or such order or judgment into another currency (the “**second currency**”) for the purpose of:

- (a) making or filing a claim or proof against the Issuer;
- (b) obtaining an order or judgment in any court or other tribunal; or
- (c) enforcing any order or judgment given or made in relation to the Trust Deed and/or the Agency Agreement, the Issuer shall indemnify the Trustee and each Agent, on the written demand of the Trustee or such Agent, against any loss suffered as a result of any discrepancy between:
 - (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and
 - (ii) the rate or rates of exchange at which the Trustee or such Agent may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

18 GOVERNING LAW AND DISPUTE RESOLUTION

- (a) **Governing law:** The Bonds including these Conditions and the CGIF Guarantee and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Dispute Resolution:**
 - (i) Any dispute, claim, difference or controversy arising out of, relating to, or having any connection with these Conditions (which includes this Condition 18(b) (*Dispute Resolution*)), the Bonds, the Trust Deed, the Agency Agreement or the CGIF Guarantee, including any dispute as to their existence, validity, interpretation, performance, breach or termination, or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (for the purpose of this Condition 18, (*Governing Law and Dispute Resolution*) a “**Dispute**”), shall be referred to and be finally resolved by arbitration administered by the Singapore International Arbitration Centre (“**SIAC**”) under the Arbitration Rules of the SIAC in force when the Notice of Arbitration is submitted (for the purpose of this Condition 18(b) (*Dispute Resolution*), the “**Rules**”), except as the Rules are modified by the provisions of these Conditions.
 - (ii) The parties further agree that following the commencement of arbitration, and following the exchange of the Notice of Arbitration and Response to the Notice of Arbitration, they will initially attempt in good faith to resolve the Dispute through mediation at the Singapore International Mediation Centre (“**SIMC**”), in accordance with the SIAC-SIMC Arb-Med-Arb Protocol (the Protocol) for the time being in force which shall last for a period not exceeding sixty-five (65) business days from the commencement of the mediation proceedings (the “**Mediation Period**”). Where a settlement has been reached between the parties within the Mediation Period, such terms

of settlement shall be referred to the arbitral tribunal and the arbitral tribunal may make a consent award on such agreed terms. In the absence of a settlement by the parties within the Mediation Period, the Dispute shall revert back to arbitration pursuant to the Protocol. Unless otherwise agreed by the parties, the arbitration shall resume by arbitrators who were not involved in the mediation process above.

- (iii) The Rules and the Protocol are incorporated by reference into this Condition 18 (*Governing Law and Dispute Resolution*) and capitalised terms used in this Condition 18 (*Governing Law and Dispute Resolution*) (which are not otherwise defined in these Conditions) shall have the meaning given to them in the Rules and the Protocol.
- (iv) The number of arbitrators shall be three. All arbitrators shall be fluent in English. The claimant(s) shall jointly nominate one arbitrator. The respondent(s) shall jointly nominate one arbitrator. The arbitrators nominated by the parties in accordance with the Rules shall jointly nominate the third arbitrator who, subject to confirmation by the President of the Court of Arbitration of SIAC (the “**President**”), will act as president of the arbitral tribunal. If the third arbitrator is not chosen by the two arbitrators nominated by the parties within thirty (30) days of the date of appointment of the later of the two party-appointed arbitrators to be appointed, the third arbitrator shall be appointed by the President.
- (v) The seat of arbitration shall be Singapore and all hearings shall take place in Singapore unless the arbitral tribunal in its absolute discretion decides that a different location will be appropriate.
- (vi) Except as modified by the provisions of this Condition 18 (*Governing Law and Dispute Resolution*), the Rules, and the Protocol, Part 2 of the International Arbitration Act 1994 of Singapore shall apply to any arbitration proceedings commenced under this Condition 18 (*Governing Law and Dispute Resolution*). Neither party shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant to the Dispute.
- (vii) The language used in the arbitral proceedings shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation and in which case, the English translation shall prevail.
- (viii) Service of any Notice of Arbitration made pursuant to this Condition 18 (*Governing Law and Dispute Resolution*) shall be made in accordance with the Rules and at the addresses given for the sending of notices under these Conditions at Condition 16 (*Notices*).
- (ix) The arbitration award(s) rendered by the arbitral tribunal shall be final and binding on the parties. The parties undertake to reasonably carry out the award(s) without delay. To the fullest extent permitted under any applicable law, the parties irrevocably exclude and agree not to exercise any right to refer points of law or to appeal to any court or other judicial authority.
- (x) The arbitral tribunal and any emergency arbitrator appointed in accordance with the Rules shall not be authorised to order, and each of the Issuer, the Bondholders, the Trustee and each of the Agents agrees for itself and (in the case of the Trustee) on behalf of each Bondholder that it shall not seek from the arbitral tribunal or any judicial authority:
 - (A) any order of whatsoever nature against the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents; or
 - (B) any interim order to sell, attach, freeze or otherwise enforce against the CGIF Assets.

- (xi) In respect of any court proceedings in Singapore commenced under the International Arbitration Act 1994 of Singapore in relation to the arbitration, the parties agree (i) to commence such proceedings before the Singapore International Commercial Court (“SICC”) and (ii) in any event, that such proceedings shall be heard and adjudicated by the SICC.
 - (xii) The Rules shall not prohibit CGIF from disclosing any information relating to any arbitral proceedings and/or arbitral award arising out of this Condition 18 (*Governing Law and Dispute Resolution*) to the board of directors of CGIF (the “**CGIF Board**”) as part of its approval process and portfolio administration, or to the Asian Development Bank or any other contributors to the Guarantor or any of their respective officers, employees, advisers, agents or representatives. The members of the CGIF Board may seek instructions from their constituents for the purpose of CGIF Board approval and portfolio administration and the CGIF Board documents and other relevant information may be distributed to any representatives of the relevant member countries of the Guarantor for the said purpose only, *provided that* such information and documents distributed by the CGIF Board insofar as they relate to any arbitral proceedings and/or arbitral award shall be clearly marked “CONFIDENTIAL”.
- (c) **ADB and CGIF Immunities:** Nothing in these Conditions, or any agreement, understanding or communication relating to these Conditions (whether before or after the date of these Conditions), shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the immunities, privileges or exemptions accorded to the Asian Development Bank under the Agreement Establishing the Asian Development Bank, any other international convention or any applicable law, or accorded to CGIF under the Articles of Agreement of the Guarantor.

19 LIMITED RECOURSE

Notwithstanding any other provisions of these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee, or any other document related to the issuance of the Bonds, the recourse of the Bondholders against CGIF under these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds is limited solely to the CGIF Assets. The Bondholders acknowledge and accept that they only have recourse to the CGIF Assets and they have no recourse to any assets of the Asian Development Bank or any other contributors to CGIF. Any obligation under these Conditions of CGIF shall not constitute an obligation of the Asian Development Bank or any other contributors to CGIF.

20 NO PERSONAL LIABILITY

Notwithstanding any other provisions of these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds neither the Asian Development Bank nor any other contributors to CGIF or the officers, employees or agents of the Asian Development Bank or any contributor to CGIF shall be subject to any personal liability whatsoever to any third party including the Bondholders and the Trustee in connection with the operation of CGIF or under these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee, any other Guarantee Document (as defined in the CGIF Guarantee) or any other document related to the issuance of the Bonds. No action may be brought against the Asian Development Bank as the trustee of CGIF or as contributor to CGIF or against any other contributors to CGIF or any of their respective officers, employees or agents by any third party including the Bondholders and the Trustee in connection with these Conditions.

21 NO WAIVER

Nothing in these Conditions, or any agreement, understanding or communication relating to these Conditions (whether before or after the date of these Conditions), shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the immunities, privileges, or exemptions accorded to

the Asian Development Bank under the Agreement Establishing the Asian Development Bank, any other international convention or any applicable law, or accorded to CGIF under the Articles of Agreement of CGIF.

22 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Unless expressly provided to the contrary in the Bonds, the Trust Deed, the Agency Agreement, and the CGIF Guarantee, a person who is not a party to these Conditions may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any of the Bonds, the Trust Deed, the Agency Agreement, and the CGIF Guarantee, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of these Conditions. Notwithstanding the foregoing, the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents may enforce Conditions 1(d) (*Limitation on the Guarantor's Liabilities*), 18(b) (*Dispute Resolution*), 18(c) (*ADB and CGIF Immunities*), 19 (*Limited Recourse*), 20 (*No personal liability*) and 21 (*No waiver*) of these Conditions.

CLEARING AND SETTLEMENT

Clearance of the Bonds will be effected through the electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by The Central Depository (Pte) Limited (the “**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.

The Bonds will be held by CDP in the form of the Global Certificate for persons holding the Bonds in securities accounts with CDP (the “**Depositors**”). Delivery and transfer of Bonds between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of the Depositors.

Settlement of over-the-counter trades in the Bonds through the Depository System may be effected through securities sub-accounts held with corporate depositors (the “**Depository Agents**”). Depositors holding the Bonds in direct securities accounts with CDP, and who wish to trade Bonds through the Depository System, must transfer the Bonds from such direct securities account 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 payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Bonds 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 Trustee, the Agents, or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

USE OF PROCEEDS

The Issuer will use the net cash proceeds of the offering and issuance of the Bonds (after deducting selling commissions and other costs and expenses associated with the offering and issuance of the Bonds) to partially refinance the Issuer's HKD Term Loan. See "*Business—Recent Developments*".

Certain of the Joint Lead Managers and/or their affiliates have and will continue to have additional relationships with the Company as described in "*Subscription and Sale*". In particular, certain of the Joint Lead Managers and/or their affiliates act as arranger and lender under the HKD Term Loan and may receive a portion of the proceeds of the offering of the Bonds in connection with the repayment thereof.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth the Issuer’s capitalisation as of 31 December 2023 and as adjusted to account for the issue of the Bonds. The Issuer derived this table from its financial statements contained in this Offering Circular. Investors should read this table in conjunction with the Audited Financial Statements, the related notes and other financial information contained elsewhere in this Offering Circular.

	As of 31 December 2023	
	Actual	As Adjusted⁽⁴⁾
	<i>(in U.S.\$)</i>	
Debt		
Short-term loans and borrowing ⁽¹⁾	221,876,425	221,876,425
Long-term loans and borrowing.....	—	[●]
Bonds issued hereby ⁽²⁾	—	[●]
Total Debt	221,876,425	[●]
Equity		
Share capital.....	614,684,529	614,684,529
Accumulated losses.....	(80,544,942)	(80,544,942)
Other reserves.....	(2,531,669)	(2,531,669)
Total Equity	531,607,918	531,607,918
Total Capitalisation⁽³⁾	753,484,343	[●]

Note:

- (1) Comprised of unsecured and non-interest-bearing shareholder loans amounting to U.S.\$32.6 million and interest-bearing bank borrowing amounting to U.S.\$189.3 million.
- (2) For convenience only, all translations from Singapore dollars to U.S. dollars are made at the rate of S\$1.3585 to U.S.\$1.00 based on the exchange rate published by the Monetary Authority of Singapore on 30 June 2024.
- (3) Total capitalisation represents the sum of total debt and total equity.
- (4) Numbers in this column do not account the refinancing of the HKD Term Loan.

Except as otherwise disclosed above and in “*Business—Recent Developments*” in respect of the HKD Term Loan, there has been no material change in the Issuer’s capitalisation and indebtedness since 31 December 2023.

BUSINESS

Overview

The Issuer is a leading operator and developer of high-performance data centres in Hong Kong and Malaysia.

As of 30 June 2024, the Issuer owns and operates a portfolio of eight fully operational data centres with an aggregate built-in capacity of 43.3MW, with six data centres in Hong Kong and two data centres in Cyberjaya, Malaysia. The Issuer's core offering is colocation services providing flexible power densities with multiple layers of redundancy, efficient cooling systems, highly secure and sophisticated infrastructure and environmental monitoring for its customers to house their computer servers, network equipment and other IT infrastructure.

The Issuer had previously acquired all its data centres as existing operating businesses from PCCW Limited in 2021 (the "**PCCW Acquisition**") and upgraded its portfolio to the standards consistent with the portfolio across the Vantage Group. The Issuer is a wholly owned subsidiary of Vantage Data Centres APAC Holdings Pte. Ltd. ("**Vantage APAC**") and a member company of the Vantage Group, a leading global owner, developer and operator of data centres. As of 30 June 2024, the Vantage Group had a portfolio of 34 data centre campuses across 20 markets comprising of a total potential capacity of more than 2,000MW. As of 30 June 2024, Vantage APAC had a portfolio of 15 data centres across nine data centre campuses and five markets in the Asia Pacific region (Japan, Taiwan, Hong Kong, Malaysia and Australia) comprising of a total potential capacity of 488MW.

The Issuer's revenue is derived from a diversified pool of more than 50 customers, including global and Chinese hyperscale customers, government-linked entities, large multi-national corporations, as well as other small and medium sized enterprises. As of 31 December 2023, the Issuer's top three customers are two of the major cloud providers in the United States and a large Chinese e-commerce platform, which accounted for approximately 78% of its leased MW. As of 31 December 2023, the Issuer's top three customers accounted for approximately 71% of its revenue. The terms of the contracts with the Issuer's top hyperscale customers typically range from 24 months to 60 months with renewal options up to 2032. The Issuer believes that it has a low risk of customer churn as all its hyperscale customers have entered into multiple leases spanning across several of its data centres and have incurred significant upfront customisation costs to integrate their respective businesses into the Issuer's ecosystem. The Issuer has long-standing relationships with many of its hyperscale customers since 2009.

For the year ended 31 December 2023, the Issuer's total revenue was U.S.\$131.0 million and Adjusted EBITDA was U.S.\$41.5 million. For the year ended 31 December 2022, the Issuer's total revenue was U.S.\$116.8 million and Adjusted EBITDA was U.S.\$36.3 million. Revenue grew 12.1% for the year ended 31 December 2023 compared to the year ended 31 December 2022 primarily due to the realisation of full year revenue from renewed contracts as well as newly signed and renewed contracts during the year ended 31 December 2023. Adjusted EBITDA grew 14.3% over the same period. For the year ended 31 December 2023, the Issuer incurred a net loss of U.S.\$47.3 million, compared to U.S.\$20.8 million for the year ended 31 December 2022. Net losses incurred in 2022 and 2023 were primarily due to, among other things, non-cash items such as depreciation of property, plant and equipment, amortisation of intangible assets, right-of-use depreciation and interest expense and other related payments relating to the lease in respect of HKG51, and other non-recurring items.

In 2024, the Issuer maintained a high level of operational efficiency with average occupancy rates across the Issuer's data centres at 99% in terms of contracted MWs as of 30 June 2024. As of 30 June 2024, the percentage of contracted MW to hyperscale customers was 79%.

Recent Developments

On 13 September 2024, the Issuer entered into a facilities agreement (the "**Facilities Agreement**") by and among the Issuer, as borrower, ING Bank N.V., Singapore Branch, as arranger, ING Bank N.V., Singapore Branch, as agent, and ING Bank N.V., Singapore Branch, as security agent, pursuant to which the Issuer was granted certain term and revolving credit facilities. On 30 September 2024, the Issuer utilised HK\$1,831 million under the Facilities Agreement (the "**HKD Term Loan**") for, among others, refinancing existing indebtedness. The Issuer will use the net cash proceeds of the offering and issuance of the Bonds (after deducting selling

commissions and other costs and expenses associated with the offering and issuance of the Bonds) to partially refinance the HKD Term Loan. See “*Use of Proceeds*.”

Competitive Strengths

The Issuer believes that the following strengths enables it to compete effectively and further increase its revenues and profitability and capitalise on the rapid growth in demand for high-quality data centre services:

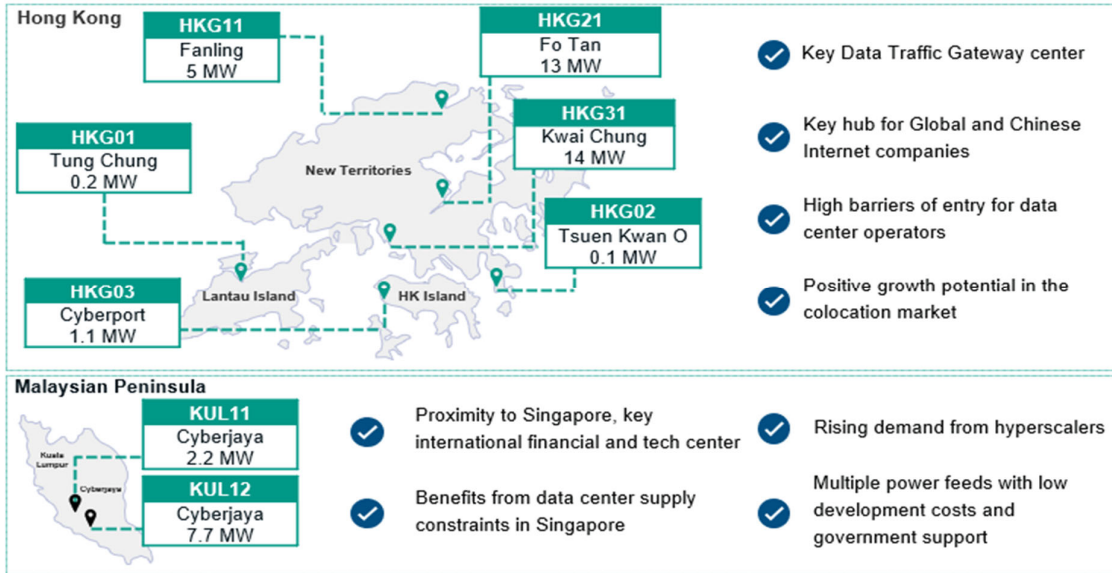
A global data centre operator with assets strategically located in Hong Kong and Malaysia

The Issuer operates eight data centres that are strategically located in Hong Kong and Malaysia with a total operational DC capacity of 43.3MW. Of the eight data centres, six are located in Hong Kong with aggregate built-out capacity of 33.4MW and two data centres in Cyberjaya, Malaysia with aggregate built-out capacity of 9.9MW.

The Issuer’s data centres are located in key availability zones, namely New Territories North, Kowloon West, Hong Kong Island and Tseung Kwan O for Hong Kong and Cyberjaya for Malaysia. They are important for ensuring fault tolerance and high availability levels while maintaining low-latency connections. The Issuer’s data centres are located in important cloud availability zones for hyperscalers, which reduces latency and improves performance for its clients, which in turn makes the Issuer’s data centres highly sought after.

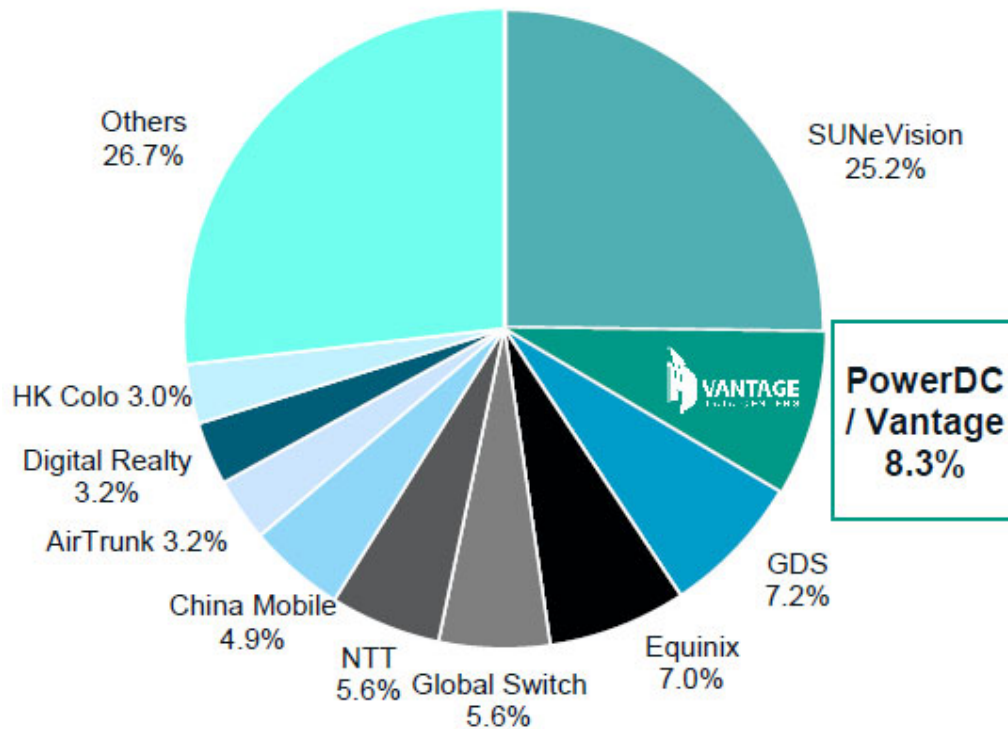
As a key data centre hub in Asia, Hong Kong benefits from a vibrant data centre market serviced mainly by international DC operators, local Hong Kong players as well as international and mainland telcos. The city has attractive supply-demand dynamics, on top of its safe environment, stable and reliable electricity supply and advanced infrastructure. Hong Kong is a land-constrained region with high building and rental costs, on top of many regulatory restrictions that make it highly difficult to self-build and consequently customers are reliant on incumbent data centre operators in Hong Kong, such as the Issuer. This creates an extremely high barrier to entry, which limits new data centre supply.

The Issuer believes Malaysia is experiencing an increase in demand for data centre operators in Southeast Asia with significant investments by the Malaysian government. According to the Malaysia Investment Development Authority (“**MIDA**”), Malaysia is at the forefront of enhancing internet connectivity. Malaysia’s digital infrastructure is enhanced by its connection to 29 submarine cables (which includes submarine cable projects currently under construction and four additional submarine cable projects to be developed) thereby making it a key strategic location, with connections to major Southeast Asian as well as European markets. According to MIDA’s Malaysia Investment Report 2023, Malaysia’s data centre market size was valued at U.S.\$1.3 billion (RM6.1 billion) in 2022 and is expected to reach U.S.\$2.2 billion (RM10.5 billion) by 2028, growing at a compound annual growth rate (“**CAGR**”) of 9.41% during the forecast period from 2023 to 2028. This trend is expected to continue given that MIDA had approved RM76 billion (U.S.\$17 billion) worth of data centre-related investments from 2021 to March 2024.



Market leading data centre assets ensure dominant market position in Hong Kong

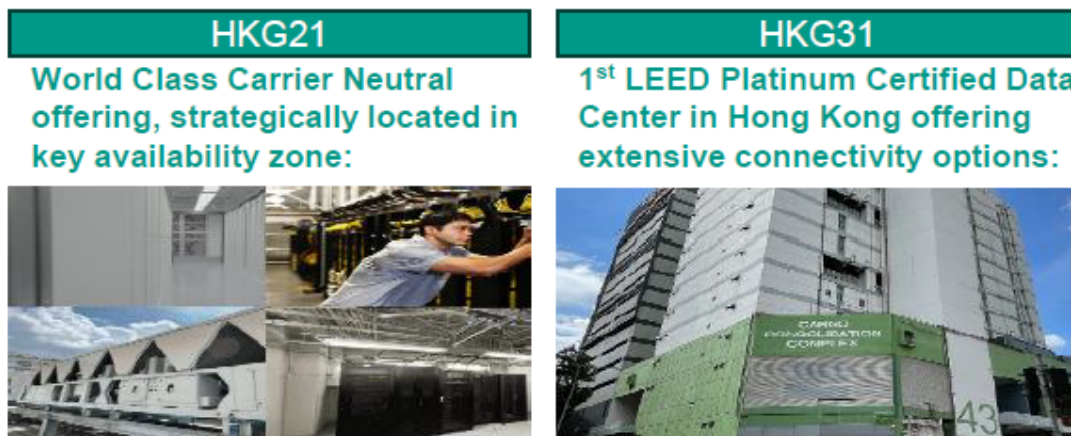
The Issuer’s data centres are world-class, carrier neutral with the largest data centres in the portfolio being Tier III facilities that have extensive connectivity options and redundancy. The Issuer’s uptime across its data centres for the past 18 months as of 30 June 2024 has been 99.999% determined based on its ability to maintain power availability and temperature and cooling. The Issuer’s data centres have designs and layouts that provide customers with predictability, efficiency and non-stop performance, all supported by a world-class, highly responsive and transparent operations team. This strengthens the Issuer’s value proposition to customers as a one-stop provider for fulfilling all their data centre requirements across geographies, which has allowed the Issuer to secure the second largest market share for Hong Kong colocation operators by total capacity, according to Structure Research.



The Issuer’s Hong Kong data centre assets consist of 550,000 square feet of total gross floor area, more than 6,000 rack capacity across six sites and 33MW load capacity. All of the Issuer’s data centres are equipped with cooling and power that are both sustainable and reliable, including flexible room design and rigidly enforced physical security. The Issuer’s uptime across its data centres for the past 18 months as of 30 June 2024 has been 99.999% determined based on its ability to maintain power availability and temperature and cooling.

The Issuer’s largest data centres in Hong Kong are HKG21 and HKG31. HKG21 is a 13-floor data centre in the Fo Tan area of Sha Tin District, New Territories, strategically located in a key availability zone. It is 25 minutes from Central, Hong Kong, 20 minutes from Lo Wu Port and 30 minutes from Hong Kong International Airport. It is a world-class, carrier-neutral Tier III facility offering approximately 185,000 square feet (17,000 square meters) of space, 10 data modules and extensive connectivity options.

HKG31 is a 16-floor data centre strategically located in Kwai Chung, Kowloon West, close to Central, Hong Kong (just 15 minutes via the Mass Transit Railway), 30 minutes from Shenzhen Bay Port and 20 minutes from Hong Kong International Airport. It is a world-class Tier III+ facility with 15 data modules. It is the first LEED platinum certified in green building data centre in Hong Kong.



Robust, world-class DC infrastructure




Scalability

	>550,000 sq.ft. Total gross floor area		>6,000 Total rack capacity across 6 sites		33MW Total facility load capacity
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Asset quality

	Client-customizable BMS installed		ISO-certified Service & security management systems		99.999% Uptime in last 12 months (vs. 99.99% in last 18 months)
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Security

	Access control Access card + input password		Multi-layer CCTV surveillance with remote monitoring		24 x 7 Surveillance & Patrol
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Implemented infrastructure upgrades, key in capturing hyperscale demand

The Issuer has invested resources and made investments to upgrade the assets in its portfolio. This has resulted in operational efficiency and an increase of more than 40% in run-rate Adjusted EBITDA in respect of its Hong Kong data centres from pre-PCCW Acquisition to year end 31 December 2023. The Issuer aims to entrench its position with its existing customers through conversion or extension when customer contracts are due.

Post the PCCW Acquisition, the Issuer has invested approximately U.S.\$16.0 million to implement infrastructure upgrades in the portfolio, including:

- Upgraded network infrastructure.
- Enhanced controls and automation.
- Remediated security equipment and services.
- Improved reliability of engineering.
- Elevated operation standards.

The above upgrades have resulted in the following achievements for the portfolio of assets:

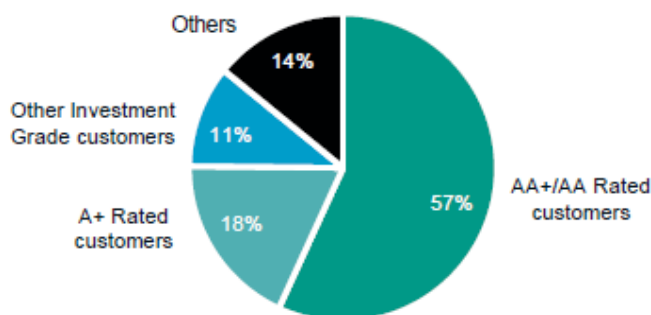
- Improved operational performance – achieved the highest customer satisfaction score from a key hyperscaler among all of its DC vendors in Hong Kong, from 3.69 in the fourth quarter of 2021 when the Issuer first acquired the assets, 3.49 in the second quarter of 2022 during the integration phase, to 4.13 as of the second quarter of 2024.

- Stronger negotiation power – ability to negotiate price increases, fixed rate payments and escalators resulting in up to 150% increase in prices.
- Minimal maintenance capex going forward – upgrades were made to long-lived assets that have useful lives between five to 15 years. The Issuer has budgeted for approximately U.S.\$5.0 million to U.S.\$6.0 million per annum for maintenance capital expenditures post financial year 2024 and does not expect to incur significant expansionary capital expenditures.

In addition, the Issuer has implemented certain capacity expansions at HKG21 and KUL12. In 2023, the Issuer completed a 4.4MW expansion at HKG21. The Issuer has also expanded KUL12 from a planned 2.5MW facility to 7.7MW. These expansions and upgrades provide expansion capacity for the Issuer’s hyperscale customers to grow into.

High quality hyperscale demand ensures strong occupancy rates and business resilience

In 2024, the Issuer maintained a high level of operational efficiency with average occupancy rates across the Issuer’s data centres at 99% in terms of contracted MWs as of 30 June 2024. The improvements made to the Issuer’s data centres, coupled with the Vantage Group’s global brand name, ensures that the Issuer is well-positioned to capture hyperscale demand. The Issuer believes that the scale and well-established nature of hyperscalers results in a strong and resilient business. By targeting hyperscale customers, the Issuer is able to ensure that its portfolio remains well occupied given their large operational requirements. Counterparty risks are mitigated given hyperscalers tend to be a high-quality customer base. For the year ended 31 December 2023, 86% of the Issuer’s revenue was generated by investment-grade rated customers. Of these, 57% were rated AA+/AA by S&P, 18% by A+ rated customer and 11% by other investment grade customers.



In addition, hyperscale contracts may contain price escalations and power expense passthrough mechanics that help the Issuer to maintain a manageable cost structure. As of 31 December 2023, 63% of its contracts have in-built price escalations (in current or renewal terms) which act as a natural hedge against inflation. For the year ended 31 December 2023, 94% of power expenses were recovered through passthrough formulas embedded into its customer contracts.

High customer retention, renewal and pricing rates

The Issuer has demonstrated a strong ability to minimise churn and renew existing contracts as they come due. For the year ended 31 December 2023, the Issuer successfully renewed 97% of expiring customer contracts (by MW). As of 30 June 2024, the Issuer had renewed 79% of expiring customer contracts. The decrease in renewal rate was primarily due to customers that exited the premises as a result of the non-renewal of the underlying leasehold facility at HKG12. Eight customers from HKG12 which contributed in excess of 80% of the net operating income derived from HKG12 were relocated to other sites within the Issuer’s portfolio thereby allowing the Issuer to maintain the majority of the net operating income from HKG12. The Issuer believes that its hyperscale clients are incentivised to renew contracts given the integration of their respective businesses into the Issuer’s ecosystem. Such customers have multiple leases spanning across several of the Issuer’s assets with significant upfront customisation cost.

Customer retention rate is further accentuated by operational risks and disruptions associated with relocating. The complexity in migrations may lead to high switching costs for customers and deter clients from leaving the Issuer’s established ecosystem.

The Issuer believes that high switching costs, together with the flexible and scalable products and services that it offers allow it to retain and grow with its customers. For example, the Issuer has won repeat business from one of its key global hyperscale customers in different assets of the portfolio.

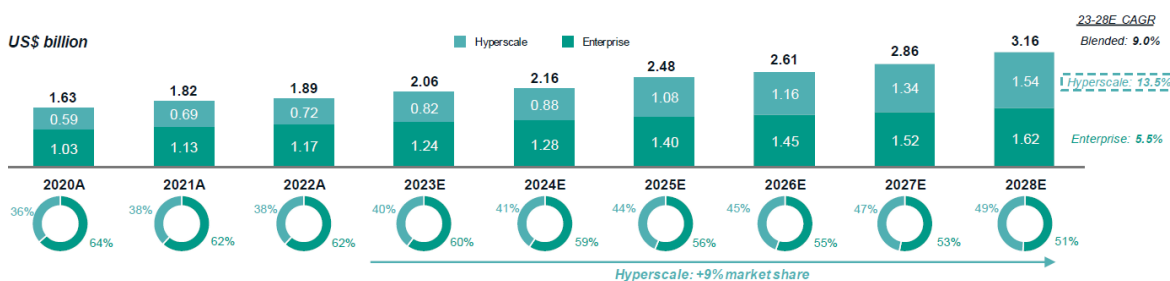
- December 2021: New capacity contracted at KUL12
- November 2022: New capacity contracted at HKG31
- December 2022: New capacity contracted at HKG21
- September 2024: New capacity contracted remaining right of first refusal capacity at KUL12

The Issuer has also successfully renegotiated contracts at higher prices and overhauled legacy contracts with below-market pricing standards. With one of its top customers, a Chinese hyperscaler, the Issuer managed to renew capacity across HKG11, HKG12 and HKG31 at higher prices between April to November 2022. Subsequently in June 2023, the Issuer renewed capacity at HKG11 at higher prices. Similarly in March 2024, the Issuer renewed capacity at HKG31 at higher prices.

Favourable geographical dynamics

The Issuer believes that there are strong tailwinds in both Hong Kong and Cyberjaya, Malaysia supporting its data centre business.

Benefiting from its status as a key data traffic hub of the Asian region, the Issuer believes that Hong Kong is a strategically important gateway for companies with global growth ambitions. According to Structure Research, the Hong Kong colocation market is projected to grow at a CAGR of 9.0% from 2023-2028 from an estimated U.S.\$2.1 billion in 2023 to U.S.\$3.2 billion by 2028. Of the 9.0% growth (on a blended basis), demand from hyperscale clients is expected to account for 13.5% compared to 5.5% from enterprise clients. Supply is expected to be measured due to land scarcity and local regulation nuances in Hong Kong. Data centre infrastructure demand is going to increasingly come from hyperscale companies and this ensures the long-term viability of the market, followed by telcos and social media platforms. This plays to the Issuer’s advantage as its world-class infrastructure assets and operational excellence are able to satisfy the stringent demands of its customers, resulting in high occupancy rates, low churn risk and high customer satisfaction score compared to other data centre providers in Hong Kong.



Malaysia is expected to become the next regional data centre hub, benefitting from the demand spillover from Singapore. Cyberjaya remains the premier data centre location in Malaysia, due to its competitively priced land, stable power supply and existing infrastructure of a highly concentrated fibre optic network as well as multiple dark fibre options from smaller providers for scalability. This ensures uninterrupted bandwidth by allowing companies to manage their network infrastructure while providing consistent and reliable data transmission speed.

Cyberjaya’s popularity as a data centre hub is evident from the active supply pipeline and confirmation of Malaysia as a cloud region by hyperscalers in the United States, which has seen Cyberjaya take on hyperscale workloads in addition to servicing domestic demand. With the Issuer’s hyperscale-grade infrastructure assets, it

is well positioned to take advantage of the geographical trend, securing hyperscaler demand to maintain high occupancy rates.

Supported by a highly reputable sponsor

The Vantage Group is supported by a strong and committed sponsor, DigitalBridge Group, Inc. (“**DigitalBridge**”). DigitalBridge is a leading global alternative asset manager dedicated to investing in digital infrastructure. The investments undertaken by DigitalBridge span across four key verticals, namely data centres, fibre networks, cell towers and, small cell networks/edge infrastructure. Built around a vision of building a digital economy, DigitalBridge has accumulated over 25 years of experience on average, invested in 45 portfolio companies, with U.S.\$84 billion of assets under management and employing over 100 digital infrastructure professionals as of 30 June 2024.

DigitalBridge invested in the Vantage Group in 2017, and the Vantage Group subsequently expanded into Europe in February 2020 and APAC in September 2021. Vantage APAC is DigitalBridge’s only hyperscale-focused data centre operator investment in APAC. The Issuer represents all of the stabilised operating assets within Vantage APAC and hence Vantage APAC has strategic importance for the platform.

As a key sponsor with majority control, DigitalBridge has provided strong equity support to Vantage APAC. As of the date of this Offering Circular, Vantage APAC has benefited from in excess of U.S.\$1.0 billion in equity investments from funds and entities managed by, affiliated with, or advised by DigitalBridge.

Experienced management team with significant industry experience

The Issuer benefits from an experienced international management team with both global and regional expertise in developing and executing data centre solutions. For further details, please see the section “*Management*”.

The Issuer’s holistic management strategy of leveraging on the global expertise of the Vantage Group enables it to strengthen its global customer relationships, focus on delivering speed-to-market to hyperscalers and provide consistent global standards and customer experience. The Vantage Group’s global franchise is a key competitive strength that will continue to be instrumental to the Issuer’s business.

Business Strategies

The Issuer intends to capitalise on the growth opportunities in the data centre services market in Hong Kong and Malaysia and strengthen its leadership position in the high-performance data centre segment by pursuing the following strategies:

Enhance existing portfolio and deliver stable EBITDA

Within the Issuer’s portfolio, the Issuer pursues the following strategies: (i) to ensure its occupancy rates remain high; (ii) to ensure there is continued price growth via in-built price escalations in contracts and market pricing reversions on renewal; and (iii) to continue to maintain operational excellence in stabilised portfolio assets.

The Issuer has put in place a prudent and sustainable capital structure that provides financial and operational stability. These include maintenance-based financial covenants of net leverage and interest coverage in its loan facilities. The Issuer also maintains an adequate cash balance for working capital needs, that will support near-term operating expenses. Any upstream payment (including dividends and others) is capped by the restrictions in its loan facilities which only allows the Issuer to upstream payments if its net leverage ratio is below an agreed threshold.

Focus on operational excellence to drive customer retention

The Issuer intends to continue to maintain a high level of customer satisfaction through operational excellence.

The Issuer has adopted the Vantage Group’s policy on operational excellence which relies on a cycle of measurement, analysis, improvement and control. The key is continuous improvement and control, which is crucial for data centre operators. The Issuer measures a significant number of performance metrics and identifies

ways in which to improve them. The Issuer also measures factors such as process – which can greatly impact how good its service is – to ensure that its data centres meet customer requirements.

The Issuer has developed and updated its entire documentation and process to achieve the higher global standards consistent with the international portfolio of the Vantage Group. The Issuer launched a training programme in partnership with BGIS, a facilities management and real estate services company, for on-site technicians and engineers, supporting external certificate exams. The Issuer invested approximately U.S.\$7 million to improve HKG21 critical facilities, a sizeable portion of which is in upgrading long-lived assets with useful lives between 5-15 years. The Issuer implemented MEP (mechanical, electrical, plumbing) upgrades, remediated single point of failure in its assets and replaced outdated equipment.

In order to retain and grow its customer base, the Issuer has developed an in-house team to service site operations. The Issuer has formed critical facility supporting teams including Reliability Engineering, Critical Facility Support and Site Ops Deployment. The Issuer hired a dedicated customer experience manager to improve communication, ensure compliance with customer lease contract terms and provide better customer support. The Issuer aims to entrench its position with key customers to create loyalty when the contracts are due.

Services

The Issuer offers primarily data centre colocation services and other services.

Colocation Services

The Issuer is a leading high-performance data centre operator and developer which provides colocation services through its data centre sites that offer its customers a highly secure and fault-tolerant environment to house their servers and related IT equipment. The Issuer's colocation services primarily comprise the provision of critical facilities space, customer-available power, racks and cooling. The Issuer's customers can host their services, networking and storage equipment in shared data space or a private tailored data space that can be customised to specific technical, power and environmental requirements. The Issuer provides its customers flexible power densities with multiple layers of redundancy, including high power density racks, to suit individual customer requirements. The Issuer works with its customers to optimise equipment lay-out to maximise cooling efficiency.

The Issuer's power supply, electrical and cooling systems (uninterruptible power source (“UPS”), generators, cooling towers, chillers and computer room air handler (CRAH) units) are installed in 2N or N+1 redundancy configurations. For every system with N parts, there will be N more or one more backup. This ensures that there will be no single point of failure in the Issuer's critical facilities. For instance, in the event that power supply is disrupted, the Issuer's UPS and generators will act as a backup power supply with a minimum of 24 hours of diesel. In addition, the Issuer also maintains additional backup diesel supplies onsite, with multiple suppliers on-call for refuel supplies.

The Issuer ensures high data centre environmental security. Its critical infrastructure is managed and monitored using sophisticated building management systems and ISO-certified service and security management systems. This monitoring is backed up by integrated electronic access control, CCTV surveillance and 24/7 qualified on-site security personnel and technical support.

The Issuer's critical infrastructure is managed and monitored using sophisticated building management systems, which enables its on-site facilities management team to scrutinise all key components from power and cooling to security and access. These processes are designed to identify any discrepancies in the power, cooling and environmental or security performance of the Issuer's data centres. This monitoring is backed up by 24/7 security and technical support teams.

Other Services

The Issuer provides its customers with a variety of other value-added services that are complementary to the colocation services above. The primary categories of such value-added services are as follows:

- *Cross-connectivity services.* The Issuer provides critical fiber connections for customers who require direct connections between the Issuer’s data centres to their corporate offices and/or the internet.
- *Office and storage rental.* The Issuer subleases building space to customers who require dedicated office and storage space on-site to better oversee and manage their own infrastructure and operations.
- *Bandwidth services.* The Issuer provides a convenient, one-stop bandwidth management service which eliminates the need for customers to manage their own bandwidth needs with internet service providers (ISPs).

Business Model

The Issuer’s core business operations entail securing customer commitments, providing colocation services and other services to customers and maintaining high levels of service and customer satisfaction to develop and maintain long-term relationships with its customers. The Issuer focuses on operating high-performance data centres. These are data centres that feature large net floor area, high power capacity, density and efficiency and multiple redundancy systems across all critical systems.

The Issuer’s contracts with customers vary from customer to customer, with billing commencing from the contract start date. Customers generally pay for the colocation services based on the contracted capacities or contracted minimum thresholds (if utilisation falls below minimum levels contracted).

The Issuer’s business model provides it with high levels of revenue visibility due to the long-term nature of its customer contracts. The Issuer endeavours to provide high levels of customer service, support and satisfaction so as to maintain long-term customer relationships and high rates of contract renewals for its services. For the year ended 31 December 2023, the Issuer achieved an average retention rate of over 97% per annum in respect of its customers for colocation services in its current data centres.

Data Centres

Overview

As of 30 June 2024, the Issuer operated a portfolio of eight fully operational data centres with an aggregate built-in capacity of 43.3MW, with six data centres in Hong Kong and two data centres in in Cyberjaya, Malaysia. The Issuer’s uptime across its data centres for the past 18 months as of 30 June 2024 has been 99.999% determined based on its ability to maintain power availability and temperature and cooling. All of the properties where the Issuer’s data centres are located are held under one or multiple leases. The following table presents an overview of the Issuer’s data centre portfolio as of 30 June 2024:

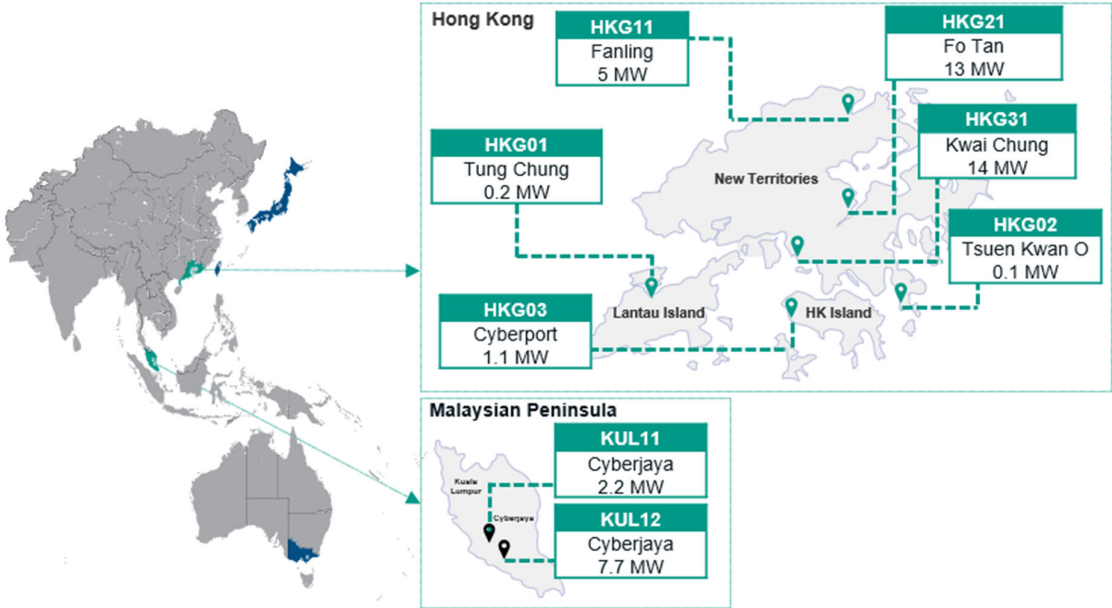
Data Centre	Specifications	Power	Cooling	Certifications
HKG01	<ul style="list-style-type: none"> • 4,700 square feet gross floor area • 0.2MW of critical IT load 	<ul style="list-style-type: none"> • Power provided by China Light & Power Company Limited • Single source power feeds supporting the campus • Ring circuit substation 	<ul style="list-style-type: none"> • N+1 redundant Air Handling Units (AHU) 	<ul style="list-style-type: none"> • ISO 9001 • ISO 20000 • ISO 27001 • ISO 14001
HKG02	<ul style="list-style-type: none"> • 700 square feet gross floor area • 0.1MW of critical IT load 	<ul style="list-style-type: none"> • Power provided by China Light & Power Company Limited 	<ul style="list-style-type: none"> • N+1 Chillers 	<ul style="list-style-type: none"> • ISO 9001 • ISO 20000

		<ul style="list-style-type: none"> • 2N power redundancy • Ring circuit substations 	<ul style="list-style-type: none"> • N+2 Computer Room Air Condition (CRAC) units 	<ul style="list-style-type: none"> • ISO 27001 • ISO 14001
HKG03	<ul style="list-style-type: none"> • 11,000 square feet gross floor area • 1.1MW of critical IT load 	<ul style="list-style-type: none"> • Power provided by China Light & Power Company Limited • 2N power redundancy • Ring circuit substations 	<ul style="list-style-type: none"> • N+2 redundant Computer Room Air Condition (CRAC) units 	<ul style="list-style-type: none"> • PCI-DSS • ISO 9001 • ISO 20000 • ISO 27001 • ISO 14001 • SOC 1 • SOC 2
HKG11	<ul style="list-style-type: none"> • 97,000 square feet gross floor area • 5MW of critical IT load • 116W/sqft average density 	<ul style="list-style-type: none"> • Power provided by China Light & Power Company Limited • Multiple, diverse power feeds supporting the campus • 2N UPS redundancy • 380/230V power distribution • All systems currently maintainable 	<ul style="list-style-type: none"> • N+1 redundancy via a water-cooled chiller supporting both hot aisle and cold aisle containment • N+1 redundant Computer Room Air Condition (CRAC) units 	<ul style="list-style-type: none"> • ISO 9001 • ISO 2000 • ISO 27001 • ISO 14001
HKG21	<ul style="list-style-type: none"> • 185,000 square feet gross floor area • 14MW of critical IT load 	<ul style="list-style-type: none"> • Power provided by China Light & Power Company Limited • 2N in-room busway deployments • N+1 block redundant electrical system configuration • Multiple, diverse power feeds supporting the facility • 380/230V power distribution 	<ul style="list-style-type: none"> • Modular Air Cool Chiller (MACC) backed up by UPS and busway design • N+2 component-level redundancy across mechanical systems • Hot aisle containment system • Closed-loop chilled water system • Water utilisation efficiency near zero 	<ul style="list-style-type: none"> • Tier III Certification of Design, Uptime Institute • PCI-DSS • ISO 9001 • ISO 20000 • ISO 27001 • ISO 14001 • SOC 2

		<ul style="list-style-type: none"> All systems concurrently maintainable 		
HKG31	<ul style="list-style-type: none"> 270,000 square feet gross floor area 14MW of critical IT load 	<ul style="list-style-type: none"> Power provided by China Light & Power Company Limited Multiple, diverse power feeds supporting the facility Mixture of 2N and Distributed Redundant N+1 UPS 380/230V power distribution All systems currently maintainable 	<ul style="list-style-type: none"> Highly efficient chilled water loop system that uses minimal water for maximum cooling configured with N+2 redundancy N+1 redundant Computer Room Air Condition (CRAC) units Supports both hot aisle and cold aisle containment 	<ul style="list-style-type: none"> Tier III Certification of Design, Uptime Institute Tier III Certification of Construction, Uptime Institute LEED Platinum Certified in Green Building PCI-DSS ISO 9001 ISO 20000 ISO 27001 ISO 14001 SOC 2 Threat, Vulnerability, Risk Assessment (TVRA) certified
KUL11	<ul style="list-style-type: none"> 79,000 square feet gross floor area 2.2MW of critical IT load 	<ul style="list-style-type: none"> Power provided by Tenaga Nasional Berhad (TNB) 2N redundancy 	<ul style="list-style-type: none"> N+1 Computer Room Air Conditioning (CRAC) units 	<ul style="list-style-type: none"> Tier III Certification of Design, Uptime Institute Tier III Certification of Construction, Uptime Institute

				<ul style="list-style-type: none"> Threat, Vulnerability, Risk Assessment (TVRA) certified DCRA PCI-DSS ISO 20000 ISO 27001 ISO 9001
KUL12	<ul style="list-style-type: none"> 94,000 square feet gross floor area 7.7MW of critical IT load 	<ul style="list-style-type: none"> Power provided by Tenaga Nasional Berhad (TNB) N+2C power redundancy 	<ul style="list-style-type: none"> N+2 using closed-loop air-cooled chiller system with hot aisle containment 	<ul style="list-style-type: none"> PCI-DSS ISO 9001 ISO 27001

The diagram below sets out the locations of the Issuer’s data centre operators as of 30 June 2024.



* The eight data centres as shown in the diagram above are held by the Issuer. Other data centres in Japan, Taiwan and Australia are indicated as the blue areas in the diagram above are held by Vantage APAC and are part of the Vantage Group.

As the Issuer acquired all its data centres as existing operating businesses from PCCW Limited in 2021, the Issuer adopted the existing business model that PCCW Limited had been operating. All of the Issuer's facilities are situated on leased properties. The following table presents an overview of the Issuer's data centre portfolio leases as of 30 June 2024:

Data Centre	Location	Start of Operation	Gross Floor Area (Square Feet)	Capacity (MW)	Lease Term		Rent Escalation
					Expiry	Tenant's Extension Option	
HKG01	Tung Chung, Hong Kong	2020	4,700	0.2	30 June 2025	30 June 2030	4% per year
HKG02	Tseung Kwan O, Hong Kong	2017	700	0.1	29 January 2027	Automatically renewed on a monthly basis until either party gives prior written notice not less than 30 days	None
HKG03	Cyberport, Hong Kong	2005	11,000	1.1	14 October 2025	None	4% per year
HKG11	On Lok Tsuen, Fanling, Hong Kong	2009	97,000	5.0	3 December 2026	None	4% per year
HKG21	Fo Tan, Hong Kong	2019	185,000	13.0	16 November 2030 or 31 December 2029 ⁽¹⁾	16 November 2035 and 16 November 2040 or 31 December 2035 and 31 December 2040	15% every three years for Premises 1 to 8; 5% every two years for Tofuku 3F and Tofuku 4F
HKG31	Kwai Chung, Hong Kong	2014	270,000	14.0	March 2030 ⁽²⁾	March 2035	4% per year
KUL11	Cyberjaya, Malaysia	2012	79,000	2.2	15 April 2027	15 April 2036	2.5% per renewal term
KUL12	Cyberjaya, Malaysia	2022	94,000	7.7	30 September 2027	30 September 2039	Rent adjustment based on annual consumer price index, capped at 10%

- (1) Leases for certain premises of HKG21 will expire on 16 November 2030, with optional extensions to 16 November 2035 and 16 November 2040 and leases for the remainder of the premises of HKG21 will expire on 31 December 2029, with optional extensions to 31 December 2035 and 31 December 2040.
- (2) Current lease agreements expire in March 2025. The Issuer has provided notice of extension to the landlord to exercise tenant's option to renew for another five years from March 2025 to March 2030; extension lease rate to be based on market rent to be agreed between the parties in accordance with the stipulated process documented in lease agreement.

The Issuer proactively negotiates with landlords on lease renewal at least a year before lease expiry. While the Issuer aims to align the tenors of customer contracts with the tenor of the underlying lease such that the Issuer avoids having to incur relocation costs, it may not always be possible to do so. If the leases for its data centres were terminated early or if it is not able to renew such leases, the Issuer may have to relocate which may involve cost to it. See “*Risk Factors–Risks relating to Business–All of the Issuer’s facilities are located in leased properties and disputes arising under the terms of the leaseholds may have an adverse effect on its operations.*”

Operations

The Issuer has separate teams for data centre operations and service delivery. The Issuer’s data centre operations team is responsible for directing, coordinating and monitoring the daily operations of its data centre facilities. The Issuer’s service delivery team is responsible for delivery of the services which it provides to customers on a 24/7 basis. The Issuer’s teams are deployed in regional operations centres, as well as on site, in order to provide two layers of management and support.

The Issuer undertakes in-house all technical functions which impact data centre performance, including floor planning, equipment lifecycle management, optimising data centre efficiency, surveillance of the critical facilities environment and network performance, incident response management and rectification. The Issuer also undertakes in-house all activities which have a direct bearing on customers, including support for set up of customer IT equipment, remote hands services, outsourced IT operations, incident and compliance reporting and response to customer requests.

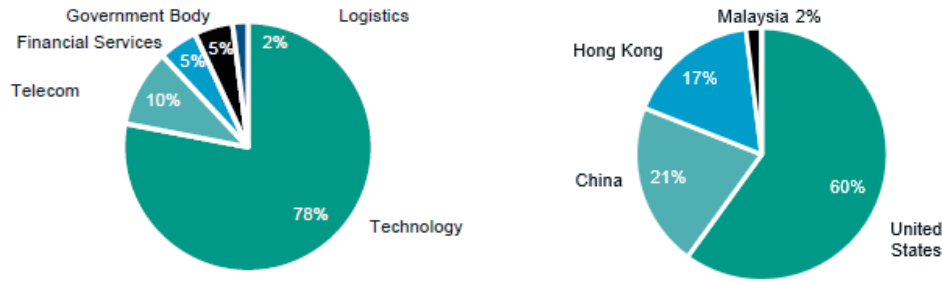
Customers

The Issuer’s revenue is derived from a diversified pool of more than 50 customers, including global and Chinese hyperscale customers, government-linked entities, large multi-national corporations, as well as other small and medium sized enterprises. As of 30 June 2024, the Issuer’s top three customers are two of the major cloud providers in the United States and a large Chinese e-commerce platform, which accounted for approximately 79% of its leased MW. As of 31 December 2023, the Issuer’s top three customers accounted for approximately 71% of its revenue. The Issuer has long-standing relationships with many of its hyperscale customers since 2009.

The following table presents the total revenue from the Issuer’s top ten customers as of 31 December 2023:

Customer	Revenue	
	U.S.\$ million	Percentage of total revenue (%)
Customer 1	60.5	46.2%
Customer 2	24	18.3%
Customer 3	8.2	6.3%
Customer 4	7.4	5.6%
Customer 5	6.6	5.0%
Customer 6	5.8	4.4%
Customer 7	5.5	4.2%
Customer 8	2.6	2.0%
Customer 9	2.6	1.9%
Customer 10	2.3	1.7%
Total	125.5	95.8%

The Issuer’s revenue is well balanced between both international and Asian customers. By geography, customers in the United States (including customers with ultimate parent entities based in the United States) account for 60% of total revenue generated from the Issuer’s top 10 customers, while Hong Kong, Chinese and Malaysian customers make up 17%, 21% and 2% respectively. By sector, technology accounts for 78% of total revenue generated from the Issuer’s top 10 customers with the remainder split within telecom (10%), financial services (5%), government body (5%), and logistics (2%).



The Issuer endeavours to establish strategic relationships with key customers, particularly large Internet companies and cloud service providers who have large data centre capacity requirements and who can help enhance the value of its data centre ecosystem.

Customer Contract Terms and Pricing

Pricing of the Issuer’s customer contracts is for a fixed amount which includes use of space and power per kW for the relevant contracted capacity. Typically, pricing is generally flat over the contract term but 63% of the Issuer’s contracts in terms of contracted MWs have in-built price escalations (in current or renewal terms) which act as a natural hedge against inflation. The Issuer’s contracts typically include the right to pass through power charges and other variable costs to customers. Power costs are either built into the overall contract pricing or charged back to the customer based on actual usage or agreed power usage effectiveness (“PUE”) thresholds. The PUE represents the ratio between the total energy consumed by the data centre and the energy needed for IT equipment. For the year ended 31 December 2023, 94% of the Issuer’s total power expenses are recovered through passthrough mechanics in contracts via power reimbursements.

The terms of the Issuer’s customer contracts typically range from 24 months to 60 months. The Issuer proactively negotiates with customers on lease renewal at least a year before lease expiry, which provides sufficient buffer for it to fill the space in the unlikely event that the customer does not intend to renew the contract. The Issuer believes that it has a low risk of customer churn as all its hyperscale customers have entered into multiple leases spanning across several of its data centres and have incurred significant upfront customisation costs to integrate their respective business into the Issuer’s ecosystem. Given the high capital outlay incurred by the Issuer’s customers for fitting out data centre space, the cost in relocating servers, the potential downtime associated with relocation and critical nature of the stored data, customer stickiness remains high, especially with the Issuer’s top customers.

Sales and Marketing

Sales

The Issuer’s sales activities are mainly conducted through its direct sales force. The Issuer incentivises its sales force to meet their annual targets through performance-based bonuses. For new customers, the Issuer’s sales cycle typically begins with creating a sales plan for a particular region or industry and then identifying new customers in these regions or industries. The Issuer also receives referrals from its vendors and other relationships and often the Issuer’s reputation attracts customers to its services without any directed sales efforts.

Many of the Issuer’s customer contracts are won through a competitive bidding process. For new customers, the bidding process begins with evaluation of the potential customer’s requirements. The Issuer formulates a service proposal based on these requirements. The Issuer’s team representing multiple departments prepares a proposal to meet the required service scope and level and it negotiates the contract and service details.

Marketing

To support the Issuer’s sales effort and to actively promote its brand, the Issuer conducts wide-ranging marketing programmes. The Issuer’s marketing strategies include active public relations and ongoing

customer communications programmes. The Issuer participates in a variety of IT industry and financial services industry conferences and workshops to raise awareness about the value of data centre services. The Issuer also builds its brand recognition by participating in industry and government workshops and industry standard-setting bodies.

Competition

The Issuer faces competition from national and international data centre providers with similar businesses in both Hong Kong and Malaysia. The Hong Kong data centre landscape is highly vibrant and well represented by international and local players. The Issuer’s main competitors in Hong Kong include:

- local carrier-neutral data centre operators such as SUNeVision, Grand Ming and Telehouse HK CCC (HKCOLO);
- International telecom operators such as NTT Communications and Pacnet (Telstra);
- International data centre operators such as Digital Bridge / Vantage, Global Switch and Equinix; and
- Chinese telecom operators such as China Mobile, China Telecom and China Unicom.

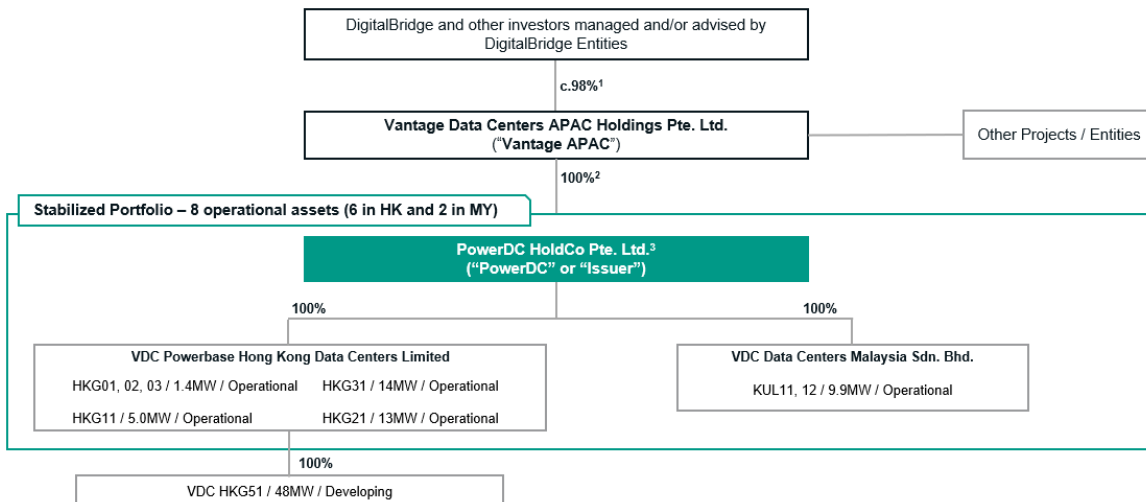
The business friendly and open market policies adopted by the Malaysian government have drawn major investments in the data centre space by companies such as AirTrunk, Equinix and Princeton Digital Group.

The Issuer competes on the basis of its data centre quality and operating track record. The Issuer believes that it is well positioned in terms of its operational track record and its ability to deliver high-performance data centre services, maintain consistently high facility and service quality, continue capacity expansion to accommodate growing demand and provide differentiated service offerings with a unique value proposition.

Corporate Information

The Issuer was incorporated in the Republic of Singapore as a private company with limited liability on 19 July 2021. The Issuer’s registration number is 202125191K. The Issuer’s registered office is located at 77 Robinson Road, #34-01, Robinson 77, Singapore 068896. The Issuer is a wholly owned finance subsidiary of Vantage APAC.

The following diagram shows the Issuer’s simplified organisational structure:



Notes: ¹ Remaining shares are held by Vantage Management team

² Following the completion of an internal reorganisation in October 2024, Vantage APAC will indirectly own 100% of PowerDC through VDC PowerUp Pte. Ltd. a wholly owned subsidiary of Vantage APAC

³ PowerDC owns 100% Digital Treasure Holdings Limited, which in turn owns 100% of VDC Powerbase Hong Kong Data Centers Limited & VDC Data Centers Malaysia Sdn. Bhd.

- * The Audited Financial Statements reflect and consolidate the financial information with respect to HKG51 SPV, an indirect wholly owned subsidiary of the Issuer, primarily due to rent payable since 2022 under the lease relating to the HKG51 data centre currently under development. Since 2022, rent has been funded by shareholder equity and loans from Vantage APAC. Notwithstanding the foregoing, for the purposes of the Bonds, the Conditions, and other matters in this Offering Circular, HKG51 SPV is excluded. See “*Presentation of Financial Information.*”

Subsidiaries

The Issuer owns 100% of both VDC Powerbase Hong Kong Data Centers Limited and VDC Data Centers Malaysia Sdn. Bhd. through Digital Treasure Holdings Limited. The table below sets out the key subsidiaries of the Issuer as of 30 June 2024.

Name of Subsidiary	Principal Activities	Country of Incorporation
Digital Treasure Holdings Limited	Investment	British Virgin Islands
VDC Powerbase Hong Kong Data Centers Limited	Data Centres	Hong Kong
VDC Data Centers Malaysia Sdn. Bhd.	Data Centres	Malaysia

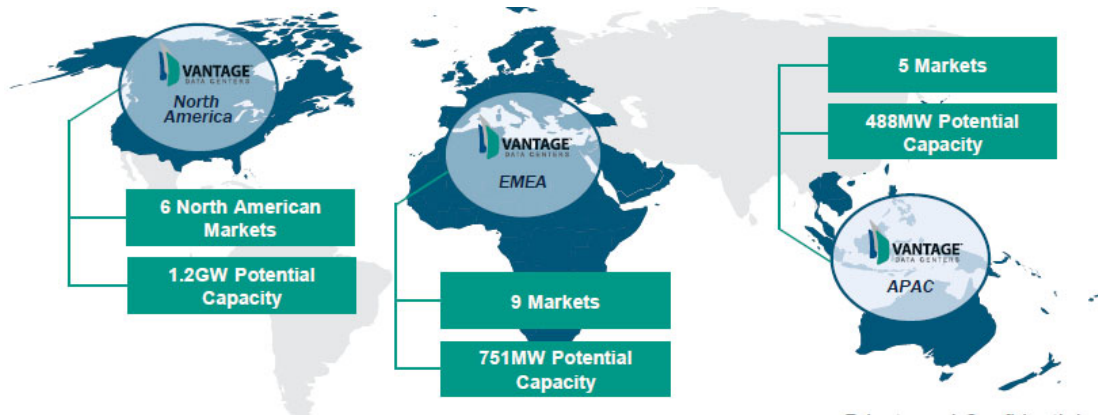
Parent Company and the Vantage Group

The Issuer is a wholly owned subsidiary of Vantage APAC and a member company of the Vantage Group. As of 30 June 2024, the Vantage Group had a portfolio of 34 data centre campuses spanning five continents and 20 markets comprising of a total potential capacity of more than 2,000MW. As of 30 June 2024, Vantage APAC had a portfolio of 15 data centres across nine data centre campuses and five markets in the Asia Pacific region (Japan, Taiwan, Hong Kong, Malaysia and Australia) comprising of a total potential capacity of 488MW.

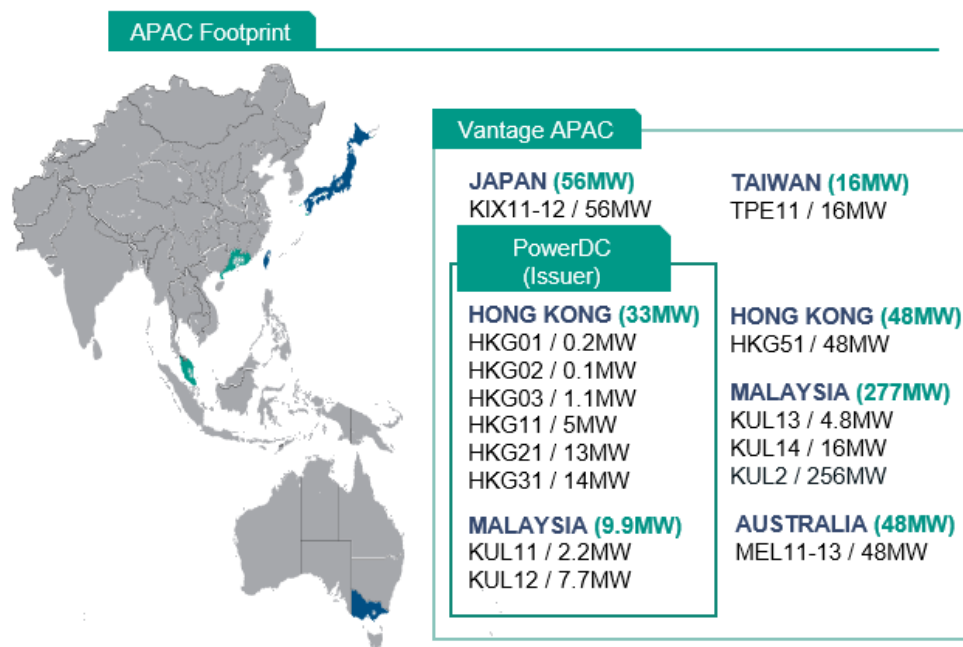
As a leading global owner, developer and operator of data centres, the Vantage Group adopts a customer-centric approach which has strengthened its brand resulting in deep relationships with the world’s leading hyperscalers who continue to expand into new markets with the Vantage Group. The Vantage Group focuses on addressing high-specification and unique customer requirements and aims to deliver reliability, efficiency and sustainability in flexible environments that can be scaled quickly to meet market demands. The following are central pillars of the business of the Vantage Group:

- Deep relationships with investment-grade hyperscale customers.
- Engineering and construction expertise.
- Operational maturity.
- Speed to market.
- Optimal capital structure.

The following diagram shows geographical presence of the portfolio of data centres of the Vantage Group as of 30 June 2024:



The following diagram shows a breakdown of the assets of Vantage APAC as of 30 June 2024:



Management company entities within the Vantage Group provide certain platform services to the Issuer resulting in certain expenses charged to the Issuer's account. These expenses include management salaries, support function expenses, certain professional fees and other selling, general and administrative expenses. The relevant Vantage Group entity charges service fees based on arm's length transfer pricing policies determined in consultation with the Issuer's tax advisors.

Environmental, Social and Governance (ESG)

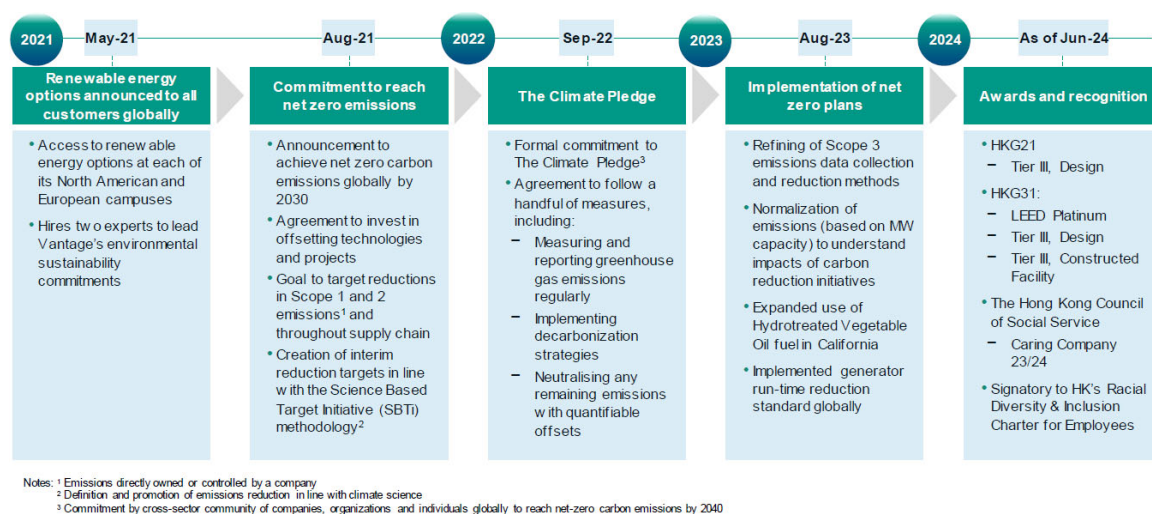
The Issuer, as part of the Vantage Group, follows the Vantage Group's policy regarding ESG. The Vantage Group is committed to sustainability across its global operations. Its sustainability strategy focuses on five core areas:

- *Greenhouse gas emissions.* The Vantage Group aims to drive emissions reductions across the entire value chain and achieve net zero carbon emissions for its operations by 2030.

- *Energy.* The Vantage Group aims to minimise energy use through efficient design and operations and decarbonise its energy supply. The Issuer’s KUL11, HKG21 and HKG31 data centres have received Tier III design and constructed facility certifications from Uptime Institute Certifications. HKG31 received LEED Platinum from LEED Certification.
- *Water.* The Vantage Group aims to minimise the amount of water used on-site as much as possible and prioritise the use of recycled or reclaimed water. The Vantage Group also implements on-site solutions to improve water quality to protect local watersheds. The Issuer harvests rainwater at its Hong Kong and Malaysian data centre assets.
- *Waste.* The Vantage Group aims to reduce waste generated in construction and operations. It diverts as much waste from landfills as possible.
- *Community.* The Vantage Group aims to engage with communities to develop innovative solutions and partnerships to proactively address local needs.

Each focus area is critical to responsible environmental stewardship. The Vantage Group partners with its customers and vendors to align its approach and share lessons learned. It also collaborates with governments and regulators to provide insights on how it can advance sustainability in the industry in a responsible way.

The diagram below sets out the key ESG milestones for Vantage APAC and the Issuer.



Employees

As of 30 June 2024, the Issuer had a total of 103 on-site employees. The employees include managers, support staff and employees in each of the subsidiary offices. Geographically, 79 of the Issuer’s employees were based in Hong Kong and 24 worked from Kuala Lumpur, Malaysia. In addition, the Issuer hires contractors in the regular course of its business. The Issuer believes that relations with its employees are good. Except for collective rights granted by local law, none of the Issuer’s employees are subject to collective bargaining agreements.

Insurance

The Vantage Group procures and maintains global property and casualty insurance programmes. All assets and properties within the Vantage Group (including the assets and properties of the Group) are insured by FM Global with a U.S.\$1.0 billion per occurrence limit. Casualty insurance is procured with a U.S.\$350.0 million limit from a consortium of insurance companies led by Chubb Insurance. In addition, the Issuer also maintains certain local insurance policies covering public liability and employee compensation. The Issuer believes that it has adequate insurance to cover risks associated with its business, plant, equipment, employees, facilities and

liabilities in line with customary industry practice. Depending on its expansion plans and growth in operations, the Issuer may from time to time revise its insurance coverage.

Regulation

The Issuer is subject to various laws, ordinances and regulations, which cover environmental matters such as energy use, telecommunications regulation, data protection and land use. The Issuer believes that each of its properties has the necessary permits and approvals (or waivers thereof) to operate its business.

Legal Proceedings

The Issuer may be involved in legal proceedings from time to time in connection with its business.

As at the date of this Offering Circular, the Issuer is not a party to any proceedings which, adversely determined, would have a material adverse effect on its business, financial condition or results of operations.

MANAGEMENT

Board of Directors

The Issuer is managed by its board of directors (the “**Board**”). As of the date of this Offering Circular, the directors and their positions are as follows:

Name	Position	Date of Appointment
Andrew Hobbs	Director	22 June 2023
Joel Cheah	Director	12 December 2023

Management

The management consists of strong regional and global leadership focused on delivering speed to market to hyperscalers, backed by a global team that leverages global customer relationships and ensures consistent global standards and customer experience.

The brief biographies of the management team are set out below.

APAC Management

Jeremy Deutsch – President, APAC

Jeremy Deutsch assumed the role of President of Vantage Data Centers’ APAC business since 2024. As President, he drives the company’s regional growth across strategy, market development, sales, construction and operations.

Deutsch has more than 20 years of leadership experience in the information and communication technology (ICT) industry. From July 2019, he served as president, APAC at Equinix, a global digital infrastructure company, where he was responsible for the company’s business across 11 countries and 17 cities. In addition, Deutsch oversaw the company’s regional M&A strategy and business development, aligning these with broader global strategies and driving growth in existing and new markets across APAC. During his time at Equinix, Deutsch led the acquisition and integration of three companies, along with spearheading organic expansion into additional key markets while delivering strong growth and scale.

Earlier in his career, Deutsch held positions at leading ICT companies, including Unwired Australia, a SingTel Optus company, and Pihana Pacific before it was acquired by Equinix in 2002.

Deutsch served as the inaugural chair of the Asia-Pacific Data Centre Association (APDCA). He earned a bachelor’s degree in economics and information systems from the University of New South Wales.

Joel Cheah – Chief Financial Officer, APAC

Joel Cheah assumed the role of Chief Financial Officer since November 2023. He leads Vantage APAC’s finance and accounting teams. With more than 15 years of experience, Cheah is an experienced and award-winning financial executive with deep expertise navigating finance, tax regulations, capital markets and investor relations. He plays a key role in accelerating the growth and profitability of the Vantage Group, as well as creating shareholder value.

Prior to joining the Vantage Group, Cheah served as Chief Financial Officer for Elite Commercial REIT Management, where he led the company’s IPO and oversaw acquisition of 58 assets. Prior to that, Cheah served as senior vice president of finance and treasurer respectively at two other listed S-REITs.

Cheah received a Bachelor of Business from the Nanyang Technological University and a Master of Science (real estate) from the National University of Singapore. He is also a Chartered Financial Analyst.

Andrew Aliprandi – Senior Vice President, Design Engineering and Construction, APAC

Andrew Aliprandi has been the Senior Vice President of Design Engineering and Construction since March 2022. He is responsible for overall design engineering planning and construction delivery across APAC. With over 30 years of construction management experience across the energy and data centre sectors, Aliprandi leads a team of multi-disciplinary subject matter experts to optimise time to deliver, ensuring the design and construction processes of Vantage APAC's campuses are industry-leading, from speed of delivery to cost efficiency, predictability and quality.

Prior to joining the Vantage Group, Aliprandi was a projects director for Global Switch. At Global Switch, Aliprandi was responsible for the delivery of key data centre facilities totalling more than 150MW of IT capacity. Throughout his career, Aliprandi has successfully managed dozens of construction projects for demanding sectors, including defence, medical, heavy industrial and energy.

Aliprandi holds a bachelor's degree in construction management from the University of Technology Sydney and an associate degree in civil and structural engineering from Sydney Technical College. He holds two certifications in civil and structural engineering from the Institute of Engineers Australia.

Paul Gilsenan – Vice President, Site Selection, APAC

Paul Gilsenan has been the Vice President of Site Selection and New Site Development since December 2022. Gilsenan oversees the Vantage Group's site selection strategy, new site evaluation, transaction management, acquisition and driving all shovel-ready activities across the Asia-Pacific region in both existing and new markets. Gilsenan has more than 20 years of experience in managing infrastructure investment and providing strategic consulting for the real estate, high-tech and financial services industries.

Prior to joining the Vantage Group, Gilsenan served as real estate principal at Amazon Web Services. At Amazon Web Services, he led the acquisition of sites for more than 1.3GW of IT capacity and expanded the business into four new markets across Asia. Gilsenan is an experienced leader and has held various leadership roles at General Electric, CBRE and Barclays Securities.

Gilsenan holds a bachelor's degree in engineering from the Technical University of Dublin. He is a certified data centre design professional (CDCDP®) and a member of Engineers Ireland.

Andrew Hobbs – Vice President, Sales, APAC

Andrew Hobbs took on the position of Vice President of Sales since March 2023. He is responsible for developing the Vantage Group's sales strategy, building long-term customer relationships and leading the sales team to accelerate the company's growth in APAC. Hobbs has more than 20 years of experience in the data centre industry, from facilities management to operational delivery, strategic advisory and client oversight.

Prior to joining the Vantage Group, Hobbs served as managing director of CBRE's data centre solutions business in APAC. He was responsible for strategic development, business growth, financial results and operational delivery throughout the region. During his seven-year tenure, Hobbs scaled the business multi-fold, obtaining new business and organic growth with existing customers through geographical expansions and the development of new service offerings. Under his leadership, the business unit grew to more than 600 people with 50 data centres in 11 countries, delivering over 1GW of IT capacity.

Previously, Hobbs was the area general manager within the critical environments division of CBRE United Kingdom. In this role, he was operationally responsible for a portfolio of data centres serving colocation and enterprise customers across London. Earlier in his career, Hobbs worked for Norland Managed Services in the United Kingdom as head of projects for a data centre business unit where he managed various large-scale infrastructure upgrades and engineering enhancement projects.

Hobbs received a bachelor's degree in economics and business policy from University of Portsmouth, United Kingdom. He is a certified data centre management professional (CDCMP®) and an Uptime Institute accredited tier specialist.

Global Management

Sureel Choksi - President & Chief Executive Officer

Serving as President and Chief Executive Officer of Vantage Data Centers since 2013, Sureel Choksi is responsible for the company's vision, strategy and overall leadership in addition to sitting on the board of directors. With nearly 30 years of experience, Choksi is an accomplished leader who has transformed the Vantage Group from a regional data centre owner and operator to one of the fastest growing global providers.

Prior to joining the Vantage Group, Choksi was an operating executive at Silver Lake Partners and the chief executive officer of Elevation Data Centers. Prior to that, Choksi held several executive roles with Level 3 Communications, including chief marketing officer, chief financial officer, president of wholesale markets, executive vice president of services, group vice president of corporate development and treasurer. He serves on the board of the Strada Education Network, an education focused, non-profit organisation.

Choksi attended the University of Pennsylvania where he received a Bachelor of Science in economics from the Wharton School with concentrations in finance, accounting and entrepreneurial management and a Bachelor of Applied Science from the School of Engineering and Applied Science.

Jeff Tench - Executive Vice President, North America & APAC

Jeff Tench has been Executive Vice President of Vantage Data Centers in North America and Asia Pacific since April 2021. Tench oversees the company's business in the U.S., Canada and APAC and is responsible for accelerating the Vantage Group's growth with overall profit and loss responsibility. With more than 25 years of experience in the technology, telecommunications and IT services industries, Tench is a dynamic leader with a track record of growing global companies both organically and via acquisitions.

Prior to joining the Vantage Group, Tench founded and served as CEO of New Signature through its acquisition by Cognizant. At New Signature, Tench raised private equity funding to create the world's largest independent pure-play Microsoft cloud partner. Under his leadership, the company acquired eight companies over five years, expanding the company's footprint from a regional presence in Washington, D.C. to five countries operating across four continents, all while driving 30% topline growth. Tench also served as CEO at Teliris after an 11-year career at Level 3 Communications where he held multiple leadership roles, including president of the Business Markets Group.

Tench received his bachelor's degree from Vanderbilt University.

Sharif Metwalli - Chief Financial Officer

Sharif Metwalli assumed the role of Chief Financial Officer on July 2018. Metwalli is responsible for driving the Vantage Group's strategic financing solutions for organic growth and market expansion globally. He oversees finance, accounting, financial planning and analysis, investor relations, capital markets planning, and corporate administration. With more than 20 years of experience, Metwalli is essential to accelerating the Vantage Group's growth, profitability and shareholder value. With expertise in navigating strong capital markets and complex M&A transactions, Metwalli has been instrumental in the execution of the Vantage Group's growth and was the architect of the successful 10-figure debt and equity financing needed to fund the development of multiple hyperscale data centre campuses in different markets simultaneously.

Prior to joining the Vantage Group, Metwalli served as managing director at SunTrust Robinson Humphrey with clients in the data centre and communications sectors. He focused on executing debt and equity financings as well as merger and acquisition ("M&A") transactions totalling over U.S.\$37.5 billion in value between 2015 and 2017. Before SunTrust, Metwalli served as a director at Wells Fargo Securities.

Metwalli received his MBA from Duke University and his Bachelor of Business Administration from the University of Michigan.

INFORMATION ON THE GUARANTOR

Establishment

CGIF, a trust fund of the Asian Development Bank, was established by the 10 members of the Association of Southeast Asian Nations (“ASEAN”) together with the People’s Republic of China (“PRC”), Japan, Republic of Korea (the “ASEAN+3”) and the Asian Development Bank in 2010. The 10 members of ASEAN consist of Brunei Darussalam, Cambodia, Indonesia, Lao People’s Democratic Republic (“Lao PDR”), Malaysia, Republic of the Union Myanmar, Philippines, Singapore, Thailand and Vietnam.

CGIF was established in November 2010 to promote economic development, stability and resilience of financial markets in the ASEAN+3 region (the “Region”). The main function of CGIF is to provide credit guarantees for local currency denominated bonds issued in the Region by corporations in the Region.

Shareholding Structure

CGIF’s guarantees are backed by U.S.\$1,158 million of paid-in capital from its sovereign government contributors and the Asian Development Bank. Neither the Asian Development Bank nor the other contributors are liable for the obligations of CGIF.

CGIF Shareholding Structure as at 5 October 2024

<u>CGIF Contributors</u>	<u>Contribution</u> <i>(U.S.\$)</i>	<u>Shareholding</u> <u>Percentage</u> <i>(%)</i>
People’s Republic of China	342,800,000	29.60
Japan	342,800,000	29.60
Asian Development Bank	180,000,000	15.54
Republic of Korea	171,400,000	14.80
Indonesia	30,600,000	2.64
Malaysia	17,600,000	1.52
Philippines	21,600,000	1.87
Singapore	21,600,000	1.87
Thailand	21,600,000	1.87
Brunei Darussalam	5,600,000	0.48
Vietnam	1,900,000	0.16
Cambodia	200,000	0.02
Lao People’s Democratic Republic	200,000	0.02
Republic of the Union Myanmar	100,000	0.01
Total	1,158,000,00	100.00

Governance Structure

CGIF has a governance structure comprising of oversight by the: (i) Meeting of Contributors; (ii) Board of Directors; and (iii) Board Committees (Internal Control and Risk Management, Nomination and Remuneration and Audit).

The Board of Directors is comprised of eight Contributor-appointed members, including the Chief Executive Officer. Each of the PRC and Japan are entitled to nominate two Directors. The Republic of Korea is entitled to nominate one Director. The Asian Development Bank, and the ASEAN countries representing Brunei

Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam are each entitled to one nomination.

The Board of Directors is accountable and reports to the Contributors on the operations and performance of management and of CGIF.

Board of Directors	Members Represented
Ms. Shuo Zhang	PRC
Ms. Minweng Zhang	PRC
Ms. Kazuko Sakuma (Chairperson)	Japan
Mr. Shunichi Takenaka	Japan
Mr. Sang-Hun Kim	Korea
Mr. Shum Jin-Chyi Kevin	ASEAN – Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
Mr. Craig Roberts	Asian Development Bank
Mr. Hongwei Wang	CGIF Management

CGIF is led by an internationally recruited management team with experience in development banking, risk management, and credit assessment through senior positions in the Export-Import Bank of China, Asian Development Bank, Mitsubishi UFJ Financial Group, Bank of the Philippines Islands, Danajamin Nasional Berhad, Hong Leong Bank Berhad, Standard Chartered Bank, Citibank and Société Générale.

The executive decision-making powers of CGIF, and the day-to-day management of CGIF, are mandated and vested to the Chief Executive Officer. The Chief Executive Officer is recommended by the Board of Directors and approved by the Meeting of Contributors. He is the legal representative of CGIF. The Chief Executive Officer heads the management team currently comprising the Deputy Chief Executive Officer/Chief Risk Officer, Chief Credit-risk Officer, Vice President Operations, Chief Financial Officer, General Counsel & Board Secretary, Corporate Planner and Head of Budget, Planning, Personnel and Management Systems and Internal Auditor.

Name	Position
Mr. Hongwei Wang	Chief Executive Officer
Mr. Mitsuhiro Yamawaki	Deputy Chief Executive Officer/Chief Risk Officer
Mr. Aarne Dimanlig	Chief Credit-risk Officer
Mr. Anuj Awasthi	Vice President Operations
Mr. Dong Woo Rhee	Chief Financial Officer
Mr. Gene Soon Park	General Counsel & Board Secretary

Name	Position
Mr. Hou Hock Lim	Corporate Planner and Head of Budget, Planning, Personnel and Management Systems
Ms. Jackie Jeong-Ae Bang	Internal Auditor

Credit Strength

CGIF is rated by international and domestic credit rating agencies.

Credit Rating Agency	Scale	Rating	Outlook	Date Reviewed
Standard & Poor's	Global Term/Short Term	AA/A-1+	Stable	28 February 2024
RAM Ratings	Global/ ASEAN/ National	gAAA/ seaAAA/ AAA	Stable	4 December 2023
TRIS Ratings	National	AAA	Stable	21 November 2023
Fitch Ratings Indonesia	National	AAA	Stable	22 December 2023
Pefindo Credit Rating Agency	National	idAAA	Stable	14 August 2024

Guarantee Business

CGIF's guarantee portfolio is limited to a leverage ratio of 2.5 times of its paid in capital of U.S.\$1,158 million as at 5 October 2024, plus (a) retained earnings, plus (b) reserves, less (c) net credit loss reserves, less (d) foreign exchange loss reserves, less (e) all illiquid assets. CGIF conducts its guarantee operations by adhering to its risk management framework consisting of: (i) credit guarantee process; (ii) credit guarantee portfolio management; (iii) risk reporting; and (iv) safeguards standards, among others.

Guarantee Portfolio

As of 5 October 2024, the following are the guarantees outstanding which have been extended by CGIF with respect to bonds issued by issuers in the ASEAN region:

Issue Date	Issuer	Note Issuance Venue	Issue Size⁽¹⁾	% Guaranteed by CGIF	Issue Rating	Tenor
8 August 2024	Vongsayam Korsang Co., Ltd	Thailand	THB 342.9 million	100%	AAA (tha) (Fitch)	3 years
8 August 2024	Vongsayam Korsang Co., Ltd	Thailand	THB 634.8 million	100%	AAA (tha) (Fitch)	5 years

8 August 2024	Vongsayam Korsang Co., Ltd	Thailand	THB 488.5 million	100%	AAA (tha) (Fitch)	7 years
8 August 2024	Vongsayam Korsang Co., Ltd	Thailand	THB 489.6 million	100%	AAA (tha) (Fitch)	10 years
9 July 2024	PT Steel Pipe Industry of Indonesia TBK	Indonesia	IDR 33.78 billion	100%	AAA (Pefindo)	3 years
9 July 2024	PT Steel Pipe Industry of Indonesia TBK	Indonesia	IDR 766.22 billion	100%	AAA (Pefindo)	5 years
9 July 2024	PT Steel Pipe Industry of Indonesia TBK	Indonesia	IDR 200 billion	100%	AAA (Pefindo)	7 years
25 June 2024	HSBC Institutional Trust Services (Singapore) Limited, as Trustee of Sabana Industrial Real Estate Investment Trust (“Sabana Industrial REIT”)	Singapore	SGD 100 million	100%	AA (S&P)	5 years
20 June 2024	Royal Group Phnom Penh SEZ Plc.	Cambodia	KHR 41 billion	100%	khAAA (RAC)	5 years
30 May 2024	Thonburi Healthcare Group Public Company Limited	Thailand	THB 700 million	100%	AAA (tha) (Fitch)	3 years
30 May 2024	Thonburi Healthcare Group Public Company Limited	Thailand	THB 1 billion	100%	AAA (tha) (Fitch)	5 years
5 March 2024	Daewoo Engineering & Construction Co., Ltd.	Singapore	SGD 150 million	100%	AA (S&P)	5 years
15 February 2024	Hektar Real Estate Investment Trust	Malaysia	MYR 215 million	100%	AAA (RAM)	5 years
29 December 2023	Telcotech Limited	Cambodia	KHR 82.3 billion	100%	khAAA (RAC)	5 years
28 December 2023	Tecomen Joint Stock Company	Vietnam	VND 200 billion	100%	Unrated	5 years

15 December 2023	CIA First International School Co., Ltd.	Cambodia	KHR 41.25 billion	100%	khAAA (RAC)	5 years
14 December 2023	A&A Green Phoenix Group Joint Stock Company	Vietnam	VND 600 billion	100%	Unrated	7 years
14 December 2023	A&A Green Phoenix Group Joint Stock Company	Vietnam	VND 300 billion	100%	Unrated	7 years
8 December 2023	PT Adhi Commuter Properti TBK	Indonesia	IDR 15.7 billion	100%	AAA (Pefindo)	3 years
8 December 2023	PT Adhi Commuter Properti TBK	Indonesia	IDR 484.2 billion	100%	AAA (Pefindo)	5 years
22 November 2023	Yoma Strategic Holdings Ltd.	Thailand	THB 1.275 billion	100%	AAA (Tris Rating)	3 years
22 November 2023	Yoma Strategic Holdings Ltd.	Thailand	THB 425 million	100%	AAA (Tris Rating)	5 years
2 November 2023	INTI Universal Holdings Sdn Bhd	Malaysia	MYR 165 million	100%	AAA (RAM)	5 years
29 September 2023	Hope Education Group Co., Ltd.	Thailand	THB 1,300 million	100%	AAA (Tris Rating)	3 years
24 August 2023	Erajaya Digital Pte. Ltd.	Singapore	SGD 50 million	100%	AA (S&P)	3 years
23 June 2023	Apeiron Agrocommodities Pte Ltd.	Singapore	SGD50 million	100%	AA (S&P)	5 years
19 April 2023	China Education Group Holdings Limited	Singapore	Offshore Renminbi (CNY) 500 million	100%	AA (S&P)	3 years
27 January 2023	SNC Former Public Company Limited	Thailand	THB1 billion	100%	AAA (Tris Rating)	5 years
7 April 2022	First Real Estate Investment Trust	Singapore	SGD100 million	100%	AA (S&P)	5 years

22 March 2022	China Education Group Holdings Limited	Singapore	Offshore Renminbi (CNY) 500 million	100%	AA (S&P)	3 years
4 March 2022	PT Polytama Propindo	Indonesia	IDR110.25 billion ⁽⁴⁾	100%	AAA (Pefindo)	5 years
1 December 2021	JWD InfoLogistics Public Company Limited ⁽²⁾	Thailand	THB1.2 billion	100%	AAA (Fitch)	9 years
11 November 2021	Thaifoods Group Public Company Limited	Thailand	THB1 billion	100%	AAA (TRIS)	5 years
8 September 2021	PT Polytama Propindo	Indonesia	IDR223 billion	100%	AAA (Pefindo)	5 years
8 September 2021	PT Polytama Propindo	Indonesia	IDR56 billion ⁽⁴⁾	100%	AAA (Pefindo)	5 years
25 August 2021	Telcotech Ltd.	Cambodia	KHR80 billion	100%	Unrated	5 years
5 March 2021	JWD InfoLogistics Public Company Limited ⁽²⁾	Thailand	THB700 million	100%	AAA (Fitch)	5 years
8 January 2021	PT Ketrosden Triasmitra	Indonesia	IDR168 billion	100%	AAA (Pefindo)	5 years
24 December 2020	GLP Pte. Ltd.	Japan	JPY15.4 billion	100%	AA (S&P)	9 years
9 April 2020	RMA (Cambodia) PLC	Cambodia	KHR80 billion	100%	Unrated	5 years
10 January 2020	Energy Absolute Public Company Ltd.	Thailand	THB3.0 billion	50% risk participation with ADB	A (Tris Rating)	7 years
8 January 2020	Thaifoods Group Public Company Limited	Thailand	THB2.0 billion	100%	AAA (Tris Rating)	5 years
31 December 2019	GELEX Group Joint Stock Company	Vietnam	VND1.15 trillion	100%	Unrated	10 years
24 December 2019	Hong Phong 1 Energy JSC	Vietnam	VND400 billion	100%	Unrated	5 years
24 December 2019	Hong Phong 1 Energy JSC	Vietnam	VND2.15 trillion	100%	Unrated	15 years

3 December 2019	Nexus International School (Singapore) Pte. Ltd.	Singapore	SGD150 million	100%	AA (S&P)	12 years
28 January 2019	Refrigeration Electrical Engineering Corporation	Vietnam	VND2.318 trillion	100%	Unrated	10 years
5 October 2018	Hoan My Medical Corporation	Vietnam	VND1.4 trillion	100%	Unrated	7 years
18 February 2016	Vingroup Joint Stock Company	Vietnam	VND1.05 trillion	100%	Unrated	10 years
7 October 2015	IVL Singapore Pte. Ltd, a subsidiary of Indorama Ventures Public Company Limited	Singapore	SGD195 million	100%	AA (S&P)	10 years
5 December 2014	Masan Consumer Holdings Company Limited	Vietnam	VND2.1 trillion	100%	Unrated	10 years
27 November 2014	Protelindo Finance BV ⁽³⁾	Singapore	SGD180 million	100%	AA (S&P)	10 years

Notes:

- (1) IDR refers to Indonesian Rupiah, PHP refers to Philippine Peso, SGD refers to Singapore dollars, THB refers to Thai Baht, VND refers to Vietnamese Dong, KHR refers to Cambodian Riel, JPY refers to Japanese Yen, CNY refers to Offshore Renminbi, and MYR refers to Malaysian Ringgit.
- (2) Change of issuer of the bonds from JWD InfoLogistics Public Company Limited to SCGJWD Logistics Public Company Limited effective 14 February 2023.
- (3) Change of issuer of the bonds from Protelindo Finance B.V. to PT Professional Telekomunikasi Indonesia effective 3 August 2016.
- (4) Refers to ijarah sukuk issuances.

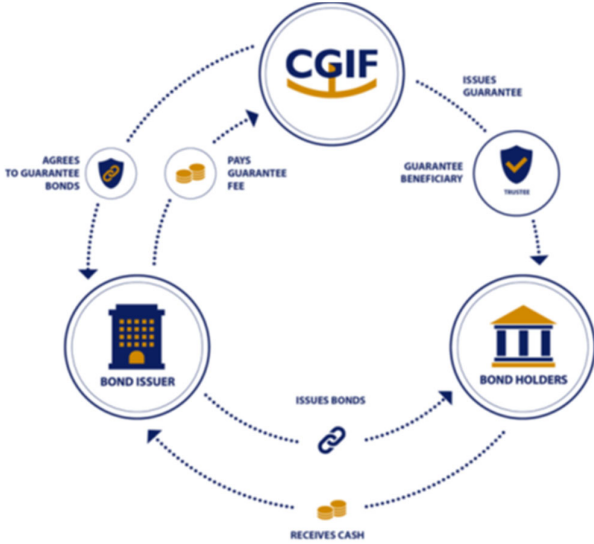
Guarantee Structure

CGIF's bond guarantee operation is aimed at supporting ASEAN+3 corporations to access the Region's bond markets to achieve the following benefits:

- expand and diversify their sources of debt capital;
- raise funds in matching currencies and tenors;
- transcend country sovereign ceilings for cross-border transactions; and
- gain familiarity in new bond markets and broader investor groups.

The guarantees issued by CGIF are irrevocable and unconditional commitments to pay bondholders upon non-payment by the issuers throughout the tenor of the bonds. This commitment is backed by CGIF's equity capital

which has been fully paid-in by all of its contributors. CGIF’s general bond guarantee structure is illustrated below.



To ensure applicability of the guarantee in multiple jurisdictions in the ASEAN+3 countries, some variations to the above structure may be incorporated to accommodate the established market norms.

Bond issuances that can be considered for CGIF guarantees are limited to the following parameters:

- group exposure/single borrow limit is up to U.S.\$231.6 million;
- bond tenor of up to 15 years, subject to conditions on credit rating and transaction structure; and
- for foreign currency denominated issuance, the borrowing entity should be adequately hedged, naturally or financially, on such currency (for example, via entity’s sales receipts, inward foreign currency remittances, or financial hedge arrangements).

CGIF started its guarantee operations with a full guarantee for standard corporate bonds issued by corporations in the Region. With the experience gained from offering a full wrap guarantee, CGIF may also explore other alternatives including partial guarantees and other risk sharing mechanisms depending on the market opportunities and acceptability of such an arrangement. CGIF also guarantees project bonds to help develop them in the relevant markets in the Region.

Capital and Liquidity Guidelines

CGIF has investment strategies and liquidity guidelines for the management of its capital resources, where investments are focused on low-risk and highly liquid assets, such as government-related securities and/or highly rated securities which are internationally rated “A+” or higher for long-term instruments issued by government related entities of CGIF contributor countries, “AA-” or higher for those issued by others, and “A-1” or higher for short-term instruments. In order for CGIF to raise enough funds in a contingent case where a guarantee is called, CGIF also implemented the following:

- (i) Quarterly stress test, where CGIF’s funding capability is tested by liquidating its investment portfolio in a stress environment.
- (ii) Quarterly liquidity gap reports, where monthly cash surplus from all projected cash in/out flows related to all CGIF operations and activities are checked.

Selected Financial Information

A summary of the statement of financial position, income statement, and cash flows as at, and for each of the years ended 31 December 2022 and 2023 have been extracted from CGIF's financial statements for the years ended 31 December 2022 and 2023 and presented as follows:

Statement of Financial Position Summary

	As at 31 December	
	2022	2023
	<i>(in thousands of U.S. dollars)</i>	
Statement of Financial Position:		
Assets:		
Cash	9,342	5,811
Investments	1,182,301	1,261,641
Accrued interest income	8,236	9,166
Guarantee fee receivable, net	57,248	54,724
Guarantee receivable, net	45,335	54,087
Other assets, net	2,539	1,987
Total assets	1,305,001	1,387,416
Liabilities and Member's equity:		
Guarantee liability	66,435	65,081
Other liabilities	15,334	19,868
Total liabilities	81,769	84,949
Member's equity:		
Capital stock (Paid-in capital)	1,148,899	1,158,000
Accumulated other comprehensive income:		
investment revaluation reserve	(78,750)	(52,608)
Reserves & retained earnings	153,083	197,075
Total member's equity	1,223,232	1,302,467
Total liabilities and members' equity	1,305,001	1,387,416

Statement of Net Income and Comprehensive Income Summary

	For the years ended 31 December	
	2022	2023
	<i>(in thousands of U.S. dollars)</i>	
Statement of Net Income:		
Guarantee fees	20,034	20,535
Interest income	28,458	37,451
Miscellaneous income	2,608	511

Total revenue	51,100	58,497
Total expenses	(35,937)	(13,582)
Net operating income	15,163	44,915
Loss from foreign exchange	(1,329)	(923)
Net income	13,834	43,992
Statement of Comprehensive Income:		
Net unrealised loss on investments measured at FVTOCI	(94,863)	26,142
Total comprehensive income	(81,029)	70,134

Statement of Cash Flow Summary

	For the years ended 31 December	
	2022	2023
	<i>(in thousands of U.S. dollars)</i>	
Statement of Cash Flow:		
Net cash flows from operating activities	27,577	8,530
Net cash flows from investing activities	(39,085)	(20,968)
Net cash flows from financing activities	11,737	8,927
Effect of exchange rate changes on cash	(41)	(20)
Net cash movement	188	(3,531)
Cash at beginning of period	9,154	9,342
Cash at end of period	9,342	5,811

Audited Financial Statement for the Years ended 31 December 2022 and 2023

CGIF's financial statements are prepared and presented in accordance with IFRS and audited by Deloitte & Touche LLP. The independent auditors' report accompanying CGIF's financial statements for the years ended 31 December 2022 and 2023 of CGIF are available at the following website page: <http://www.cgif-abmi.org/investors/financial-statements>.

All of the information on the Guarantor under this section has been provided by CGIF. Information in respect of the Issuer and the Parent contained in this Offering Circular has not been verified by the Guarantor. None of the Guarantor, its management nor its employees take any responsibility, expressed or implied, for any information contained in this Offering Circular, other than the information contained in this Section entitled "*Information on the Guarantor*". In addition, none of the foregoing parties has taken any steps to verify the accuracy of any of the information included in this Offering Circular, other than the information contained in this Section entitled "*Information on the Guarantor*", and no representation or warranty, express or implied, is made by any such parties as to the accuracy or completeness of the information contained in this Offering Circular.

DESCRIPTION OF THE CGIF GUARANTEE

The following contains summaries of certain key provisions of the CGIF Guarantee and related provisions of the Trust Deed. Such statements do not purport to be complete and are qualified in their entirety by reference to the CGIF Guarantee and the Trust Deed. Defined terms used in this section shall have the meanings given to them in the CGIF Guarantee, the Conditions and the Trust Deed. All references to a "Condition" are to a condition in the Conditions.

Guaranteed Amounts

Pursuant to the CGIF Guarantee, CGIF will irrevocably and unconditionally guarantee to the Trustee as the Guaranteed Party the full and punctual payment of each Guaranteed Amount.

For the purposes of the CGIF Guarantee, "**Guaranteed Amount**" means:

- any Principal Amount and any Scheduled Interest which is overdue and unpaid (whether in whole or in part) by the Issuer under the Conditions and the Trust Deed;
- any Additional Accrued Interest; and
- any Trustee Expenses,

(in each case as defined in the CGIF Guarantee).

The Guaranteed Amount will not include, and the CGIF Guarantee will not cover, any amounts that become payable under the Bonds on an accelerated basis at the instigation of the Issuer, including, without limitation, as a result of the Issuer's voluntary redemption of the Bonds (whether in full or part) prior to the Maturity Date.

Missed Payment Event

Subject to Clause 2.1 (*Guarantee*) of the CGIF Guarantee and Clause 3.2 (*Missed Payment Event*) and Clause 3.3 (*Acceleration*) of the Trust Deed, if a Missed Payment Event (as defined in the Conditions) has occurred and is continuing, CGIF shall pay the Guaranteed Amount relating to the Missed Payment Event to the Guaranteed Party or to its order within 30 calendar days of such Missed Payment Event.

If CGIF fails to make a payment in accordance with the preceding paragraph, CGIF will pay interest on the overdue Guaranteed Amount (other than any Trustee Expenses) for the period from (and including) the date the relevant Non-Payment Event (as defined in the Conditions) occurred to (but excluding) the Guarantor Payment Date at the Guarantor Default Rate.

CGIF will pay interest on the overdue Trustee Expenses from the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the rate of the Trustee's cost of funds, provided that the Trustee furnishes evidence as to its cost of funds to the reasonable satisfaction of CGIF.

Notwithstanding the above, following the receipt by CGIF of a Missed Payment Notice (as defined in the Trust Deed) in accordance the Trust Deed and at any time prior to the date on which a Guaranteed Amount is due for payment:

- if the CDP Paying Agent subsequently receives payment in full or in part in respect of a Guaranteed Amount from a source other than CGIF, the CDP Paying Agent shall as soon as reasonably practicable notify the Issuer, CGIF and the Trustee of such payment; and
- upon receipt of the notice referred to above, the obligation of CGIF to pay the Guaranteed Amount specified in the relevant Missed Payment Notice shall, in respect of any payment received in part by the CDP Paying Agent, be reduced by the corresponding amount received by the CDP Paying Agent or, in

respect of any payment received in full by the CDP Paying Agent, be terminated in respect of such payment due date.

Guaranteed Party Acceleration

Pursuant to the Trust Deed, the Trustee shall not be entitled to take an Acceleration Step unless CGIF has failed to make payment of a Guaranteed Amount such that a Non-Payment Event has occurred and is continuing (a “**Guaranteed Party Acceleration**”). Pursuant to the Trust Deed, neither the Trustee nor any Bondholder shall be entitled to take an Acceleration Step against the Issuer or CGIF unless a Guaranteed Party Acceleration has occurred or with the prior written consent of the Guarantor and, in the event that any such Acceleration Step is taken in contravention of such provision, CGIF shall not be required to pay any amounts in respect of such Acceleration Step.

Upon the occurrence of a Guaranteed Party Acceleration and if the Guaranteed Amounts are not paid by the Issuer in accordance with the Conditions and the Trust Deed following such Guaranteed Party Acceleration, the Trustee may at its sole discretion and, if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds or if so directed to do so by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction in all cases) deliver in accordance with the Trust Deed a Guaranteed Party Acceleration Notice (substantially in the form of Schedule 6 (*Form of Guaranteed Party Acceleration Notice*) to the Trust Deed) in respect of the aggregate of the unpaid Guaranteed Amounts and the Guarantor Default Interest Amount (if any) to be paid by CGIF in accordance with the CGIF Guarantee.

Limited rights of acceleration

The Trustee’s and the Bondholders’ acceleration rights against the Issuer and CGIF will be limited pursuant to the Trust Deed, as described under “*Guaranteed Party Acceleration*” above. In particular, potential investors should note that the Trustee and the Bondholders will not be permitted to accelerate upon the occurrence of any of the Events of Default set out in Condition 10 (*Events of Default*).

CGIF’s Obligations under the CGIF Guarantee will not be impacted by its or the Issuer’s insolvency or winding-up

CGIF will agree under the CGIF Guarantee that its obligations will not be affected by and shall remain in force notwithstanding by any act, omission, event or thing of any kind which, but for the relevant provision set out in the CGIF Guarantee would reduce, release or prejudice any of its obligations under the CGIF Guarantee including, among other things, in the event of any insolvency or similar proceedings affecting the Issuer or CGIF.

Investors should, however, note that the CGIF Guarantee will be a secondary obligation only under English law, being the governing law of the CGIF Guarantee. In the event that the Issuer’s obligations under the Bonds, the Trust Deed and/or the Agency Agreement (being the primary obligations which are the subject of the CGIF Guarantee) cease to exist for any reason (for example, because they are held to be void for lack of capacity or illegality) the Trustee and the Bondholders may not be able to make a claim under the CGIF Guarantee for any Guaranteed Amount. See “*Risk Factors — Risks relating to the Guarantor and the CGIF Guarantee — The obligations of the Guarantor under the CGIF Guarantee are secondary obligations only*”).

CGIF Acceleration

At any time following the occurrence of a CGIF Acceleration Event, CGIF may at its discretion require the Issuer to redeem the Bonds in whole, but not in part only, at their outstanding principal amount, together with interest accrued but unpaid to the date fixed for redemption on giving not less than seven (7) nor more than fifteen (15) days’ notice to the Issuer, the Trustee and the CDP Paying Agent in accordance with Condition 16 (*Notices*), following which the Issuer shall immediately, or if the Issuer fails to do so CGIF may, give notice to

the Bondholders in accordance with Condition 16 (*Notices*) and to the Trustee and the CDP Paying Agent in writing (which notice shall be irrevocable).

A CGIF Acceleration Event will occur if the Issuer or CGIF notifies the Trustee immediately before the giving of such notice that:

- an Issuer Event of Default has occurred;
- a Missed Payment Event has occurred and is continuing and irrespective of whether or not CGIF has already paid any Guaranteed Amounts in respect of such Missed Payment Event; or
- any term or provision of the Conditions, the Trust Deed or the Agency Agreement has been amended, modified, varied, novated, supplemented, superseded, waived or terminated without the prior written consent of CGIF as required pursuant to the terms of the CGIF Guarantee, the Trust Deed or the Agency Agreement, as the case may be,

and CGIF has delivered a CGIF Acceleration Notice (substantially in the form of Schedule 5 (*Form of CGIF Acceleration Notice*) to the Trust Deed) to the Trustee in accordance with the Trust Deed.

The CGIF Acceleration Notice will, among other things, contain a written confirmation that CGIF will pay all outstanding Guaranteed Amounts.

Reimbursement and Indemnity Agreement

The Issuer, certain of the Issuer's subsidiaries or affiliates, and the Guarantor have entered into a reimbursement and indemnity agreement (the "**Reimbursement and Indemnity Agreement**") which, among other things, specifies the payment of guarantee fees and other amounts in respect of the CGIF Guarantee and the basis on which amounts paid by the Guarantor under the CGIF Guarantee are to be reimbursed and indemnified by the Issuer and certain of the Issuer's affiliates.

TAXATION

The following summary is based on tax laws of Singapore as in effect on the date of this Offering Circular, and is subject to changes in laws, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any countries other than Singapore. Prospective purchasers in all jurisdictions are advised to consult their own tax advisers as to Singapore or other tax consequence of the acquisition, ownership and disposition of the Bonds.

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 Monetary Authority of Singapore (“MAS”) in force as at the date of this Offering Circular 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, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities (“QDS”) scheme for early redemption fee (as defined in the Income Tax Act) and redemption premium (as such term has been amended by the Income Tax Act). 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 Offering Circular are intended or are to be regarded as advice on the tax position of any Bondholder or of any person acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Bonds 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 tax incentive(s)) may be subject to special rules or tax rates. Prospective Bondholders 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 Bonds, including 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 nor any other persons involved in this Offering Circular accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Bonds.

Interest and Other Payments

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

- 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
- any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident

individuals is currently 24 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The above withholding tax rates may be reduced by applicable tax treaties, subject to certain conditions.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from Singapore income tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium derived from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

As the issue of the Bonds is jointly lead-managed by ING Bank N.V., Singapore Branch and Oversea-Chinese Banking Corporation Limited, each of which is a Specified Licensed Entity (as defined below), and the Bonds are issued as debt securities before 31 December 2028, the Bonds would be QDS for the purposes of the Income Tax Act to which the following treatment shall apply:

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

- (ii) 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 Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require,

Qualifying Income derived from the Bonds is not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

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

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

Pursuant to the Income Tax Act, the reference to the term “**Specified Licensed Entity**” above means:

- (i) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;
- (ii) a finance company licensed under the Finance Companies Act 1967 of Singapore; or
- (iii) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.

The terms “**related party**”, “**early redemption fee**” and “**redemption premium**” are defined in the Income Tax Act as follows:

- “related party”, in relation to a person (“*A*”), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person;
- “early redemption 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; and
- “redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

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

Where interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from any of the Bonds by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Bonds using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying

Income) derived from any of the Bonds is not exempt from tax is required to include such income in a return of income made under the Income Tax Act.

Capital Gains

Any gains considered to be in the nature of capital arising from the sale of the Bonds will generally not be taxable in Singapore. However, any gains derived by any person from the sale of the Bonds 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, and hence, gains arising from the disposal of the Bonds may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller of Income Tax would regard as the carrying on of a trade or business in Singapore.

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

Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34AA of the Income Tax Act 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 Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 Financial Instruments”.

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

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

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining “foreign passthru payment” and Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for

U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Bonds or Residual Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in a subscription agreement dated [●] 2024 (the “**Subscription Agreement**”) among the Issuer, the Guarantor and the Joint Lead Managers, each Joint Lead Manager, subject to and in accordance with the provisions of the Subscription Agreement, has severally agreed to subscribe and pay for, or procure subscriptions and payment for, the Bonds for the principal amount set forth opposite its name below:

Joint Lead Managers	Principal amount of the New Bonds
ING Bank N.V., Singapore Branch	S\$[●]
Oversea-Chinese Banking Corporation Limited	S\$[●]
Total	S\$[●]

The Subscription Agreement provides that the Issuer has agreed to pay the Joint Lead Managers certain fees and commissions and to reimburse the Joint Lead Managers for certain of their expenses in connection with the initial sale and distribution of the Bonds, and the Issuer and the Guarantor will jointly and severally indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and their subsidiaries and affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Joint Lead Managers and certain of their subsidiaries or affiliates may have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with, the Issuer, the Guarantor or any other member of the Group and/or their respective subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses. The Joint Lead Managers and their subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor or any other member of the Group and/or their respective subsidiaries and affiliates in the ordinary course of their business. In particular, certain of the Joint Lead Managers and/or their affiliates act as arranger and lender under the HKD Term Loan and may receive a portion of the proceeds of the offering of the Bonds in connection with the repayment thereof.

The Joint Lead Managers and their respective affiliates may purchase any Bonds and be allocated Bonds for asset management and/or proprietary purposes but not with a view to distribution. The Joint Lead Managers and/or their respective affiliates will initially purchase a significant portion of the Bonds for asset management and/or proprietary purposes but not with a view to distribution and may therefore be able to exercise certain rights and powers on their own which will be binding on all holders. Additionally, this may reduce the liquidity of the Bonds in the secondary trading market. References herein to the Bonds being offered should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates acting in such capacity. In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The distribution of this Offering Circular, or any offering material, and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular, or any offering material, are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken that would, or is intended to, permit a public offering of the Bonds, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.

The Joint Lead Managers may, from time to time, engage in transactions with and perform services for the Issuer in the ordinary course of its business.

Each Joint Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes this Offering Circular or any other offering material relating to the Bonds. Persons into whose hands this Offering Circular comes are required by the Issuer, the Guarantor and the Joint Lead Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Offering Circular or any other offering material relating to the Bonds, in all cases at their own expense.

Accordingly, the Bonds should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Bonds should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not, save as disclosed in this Offering Circular, impose any obligations on the Issuer, the Guarantor or the Joint Lead Managers.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Joint Lead Manager or any of their affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that joint Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

Selling Restrictions

United States

The Bonds and CGIF Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds and CGIF Guarantee are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds and CGIF Guarantee, an offer or sale of the Bonds or CGIF Guarantee within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- a customer within the meaning of 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.

Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- 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”); or
- 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 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.

United Kingdom

Each Joint Lead Manager has represented and agreed that:

- it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Bonds and CGIF Guarantee or caused the Bonds and CGIF Guarantee to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds and CGIF Guarantee or cause the Bonds and CGIF Guarantee 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 Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds and CGIF Guarantee, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to 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 of Singapore.

Any 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.

Hong Kong

Each Joint Lead Manager has represented and agreed that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO, or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and

Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- 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 Bonds, 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 Bonds 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.

Japan

The Bonds and the CGIF Guarantee have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Lead Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds and the CGIF Guarantee in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

China

Each Joint Lead Manager has represented and agreed that the Bonds and CGIF Guarantee are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by applicable laws of the People’s Republic of China.

General

None of the Issuer, the Guarantor or the Joint Lead Managers makes any representation that any action will be taken in any jurisdiction by the Joint Lead Managers, the Issuer or the Guarantor that would permit a public offering of the Bonds and the CGIF Guarantee, or possession or distribution of the Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds and the CGIF Guarantee (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. No Joint Lead Manager is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Bonds and the CGIF Guarantee other than as contained in, or which is consistent with, the Offering Circular or any amendment or supplement to it.

RATINGS

The Bonds are expected to be rated AA by S&P. A security rating is not a recommendation to purchase, hold or sell the Bonds in as much as such rating does not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgement, circumstances so warrant. See “*Risk Factors – Risks Relating to the Bonds – Credit ratings may not reflect all risks and the ratings assigned to the Bonds may be lowered or withdrawn in the future*”.

GENERAL INFORMATION

1 Listing

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as any Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for definitive certificates. In addition, in the event that the Global Certificate is exchanged for definitive certificates, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the paying agent in Singapore.

2 Issue

The Bonds issued are proposed to be issued under the AMBIF.

AMBIF is a policy initiative under the ABMI to create a nexus among domestic professional local currency bond markets in the region to help facilitate intraregional transactions through standardised bond and note issuance and investment processes.

AMBIF facilitates intraregional bond and note issuance and investment by creating common market practices; utilising a common document for submission, the Single Submission Form (the “SSF”); and highlighting transparent issuance procedures as documented in the implementation guidelines for each participating market, including Singapore.

AMBIF is expected to expand opportunities for issuers and investors: issuers can raise funds in local currencies in multiple locations in the region more easily, and investors can invest in local currency bonds more easily.

To be recognised as a bond or note issued under AMBIF (AMBIF Bond or Note), certain requirements need to be satisfied. These so-called AMBIF elements are summarised in the table below. Integral to AMBIF is the use of the SSF.

AMBIF Elements	Brief Description
Domestic Settlement	Bonds/notes are settled at a national central securities depository in ASEAN+3.
Harmonised Submission Documents (SSF) ..	Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information needs to be included.
Registration or profile listing at ASEAN+3 (Place of continuous disclosure)	Information on bonds/notes and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure.
Currency	Bonds/notes are denominated in currencies normally issued in domestic bond markets of ASEAN+3.
Scope of Issuer	Resident of ASEAN+3.

Scope of Investors Professional investors defined in accordance with applicable laws and regulations or market practice Scope of Investors in each market in ASEAN+3.

At this stage, the SSF, in conjunction with the AMBIF Implementation Guidelines, is accepted in seven jurisdictions in ASEAN+3: Hong Kong, China; Japan; Malaysia; the Philippines; Singapore; Thailand; and Cambodia. The region's other markets are expected to join as soon as they are ready.

The SSF, as the single and comprehensive issuance and disclosure document, has been modelled on the information memorandum used in international bond markets and its contents complies with the information and disclosure requirements of all participating markets, including those of Singapore.

The SSF has been recognised by the SGX-ST and the MAS to serve as issuance documentation for bonds and notes issued to exempted classes of investors. As such, the documents and/or material in connection with the offer or sale, or invitation for subscription or purchase, of such bonds and notes may not be circulated or distributed, nor may such bonds and notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to 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 of Singapore. For such bonds and notes to be listed on the SGX-ST, the application procedures and relevant listing requirements will need to be fulfilled by the relevant issuer of such bonds and notes.

The SSF is a public document and was created and is maintained by the ASEAN+3 Bond Market Forum, a public sector-private sector forum under the guidance of the Asian Development Bank, in conjunction with the AMBIF Documentation Recommendation Board, a group of bond market participating institutions and professionals in ASEAN+3 that support and represent best market practices. The template for the SSF is available for download from the Asian Development Bank's website.

3 Authorisation

The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer passed on 22 October 2024. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds.

4 Legal and Arbitration Proceedings

As of the date of the Offering Circular, there are no governmental, legal or arbitration proceedings pending or threatened against the Issuer or the Group which may have a material adverse effect on the financial or trading position, condition (financial or otherwise), prospects, results of operations, profitability, shareholders' equity, business, properties, management or general affairs of the Issuer or the Group.

5 No Material Adverse Change

Since 31 December 2023, there has been no material adverse change in the financial or trading position, condition (financial or otherwise), prospects, results of operations, profitability, shareholders' equity, business, properties, management or general affairs of the Issuer or the Group.

6 Auditor

The Issuer's audited consolidated financial statements as of and for the years ended 31 December 2023 and 2022, which are included elsewhere in this Offering Circular, have been audited by Ernst & Young LLP, as stated in its report appearing herein.

7 Documents available for Inspection

For so long as any Bond is outstanding, copies of the CGIF Guarantee, the Trust Deed, the Agency Agreement and the CDP Deed of Covenant relating to the Bonds are available (i) for inspection by Bondholders following prior written request and proof of holding and identity to the satisfaction of the CDP Paying Agent at all reasonable times during normal business hours (being between 9:00 a.m. (Singapore time) and 3:00 p.m. (Singapore time) from Monday to Friday (other than public holidays)) at the Specified Office of the CDP Paying Agent or (ii) electronically to the requesting Bondholder from the CDP Paying Agent following prior written request and proof of holding and identity to the satisfaction of the CDP Paying Agent.

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

Audited Financial Statements as of and for the year ended 31 December 2023 and 2022

Independent Auditor's Report	F-6
Consolidated Statement of Comprehensive Income.....	F-9
Consolidated Statement of Financial Position.....	F-10
Consolidated Statement of Changes in Equity	F-12
Consolidated Statement of Cash Flows.....	F-14
Notes to the Audited Financial Statements.....	F-16

Audited Financial Statements as of and for the year ended 31 December 2022 and 2021

Independent Auditor's Report	F-63
Consolidated Statement of Comprehensive Income.....	F-66
Consolidated Statement of Financial Position.....	F-67
Consolidated Statement of Changes in Equity	F-68
Consolidated Statement of Cash Flows.....	F-70
Notes to the Audited Financial Statements.....	F-71

Company Registration No. 202125191K

Powerdc Holdco Pte. Ltd. and its subsidiaries

Annual Financial Statements
For the year ended
31 December 2023



Powerdc Holdco Pte. Ltd. and its subsidiaries

Index

	Page
Directors' statement	1
Independent auditor's report	3
Consolidated statement of comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	10
Notes to the financial statements	11

Powerdc Holdco Pte. Ltd. and its subsidiaries

Directors' statement

The directors present their statement to the member together with the audited consolidated financial statements of Powerdc Holdco Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the consolidated statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company as at 31 December 2023; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due, as the Group has the right under the facilities agreement to extend the current loans and borrowings of US\$189,324,244 by an additional 24 months from 31 December 2024 and the related parties have given an undertaking not to recall amounts due to them of US\$14,963,268 until the cashflows of the Group permits to enable the Group to meet the liabilities as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Andrew Timothy Hobbs

Tong Raymond Kwok Kong (Appointed on 28 Feb 2024)

Cheah Zhuo Yue (Appointed on 12 Dec 2023)

Arrangements to enable directors to acquire shares

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares

None of the directors, who held office at the end of the financial year, have, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares, share options, warrants and debentures of the Company and related corporations (other than wholly-owned subsidiaries), either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Directors' statement

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of the options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

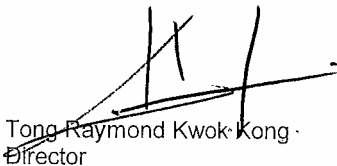
Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,



Cheah Zhuo Yue
Director



Tong Raymond Kwok Kong
Director

Singapore
7 June 2024

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2023**

Independent auditor's report to the member of Powerdc Holdco Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Powerdc Holdco Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year ended 31 December 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards (FRSs) in Singapore so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended 31 December 2023.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises of the directors' statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Independent auditor's report For the financial year ended 31 December 2023

Independent auditor's report to the member of Powerdc Holdco Pte. Ltd.

Responsibilities of management and directors for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2023**

Independent auditor's report to the member of Powerdc Holdco Pte. Ltd.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

Ernst & Young LLP

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

7 June 2024

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Consolidated statement of comprehensive income
For the financial year ended 31 December 2023**

	Note	2023 US\$	2022 US\$
Revenue	4	130,973,795	116,817,792
Expenses			
Professional and consultancy fee		(1,505,441)	(4,550,800)
Property operations and maintenance		(22,829,886)	(10,082,908)
Power expenses		(39,978,308)	(34,954,663)
Staff costs	5	(6,984,892)	(7,732,123)
Foreign exchange (loss) / gain		(269,981)	727,293
Depreciation of property, plant and equipment	11	(24,494,205)	(21,519,163)
Impairment of property, plant and equipment	11	(5,778,477)	-
Depreciation of right-of-use assets	17	(31,755,194)	(25,894,373)
Amortisation of intangible assets	12	(4,702,597)	(5,164,835)
Other operating expense	6	(21,227,608)	(11,012,648)
Operating loss		(28,552,794)	(3,366,428)
Interest expense	7	(20,214,155)	(15,704,475)
Finance fees		(1,453,875)	(1,515,604)
Interest income	8	593,673	83,630
Loss before tax		(49,627,151)	(20,502,877)
Income tax credit/(expense)	9	2,281,076	(321,072)
Loss for the year		(47,346,075)	(20,823,949)
Other comprehensive income			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation		(1,289,844)	(1,403,063)
Other comprehensive income for the year, net of tax		(1,289,844)	(1,403,063)
Total comprehensive income for the year attributable to owners of the Company		(48,635,919)	(22,227,012)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Consolidated statement of financial position
As at 31 December 2023**

	Note	Group		Company	
		2023 US\$	2022 US\$	2023 US\$	2022 US\$
Non-current assets					
Investment in subsidiary	10	–	–	772,040,847	732,073,809
Property, plant and equipment	11	268,091,188	261,162,399	–	–
Intangible assets	12	488,542,743	493,248,660	–	–
Other receivables	13	13,975,590	–	–	–
Amount due from related parties	16	–	–	24,770,089	47,111,341
Right-of-use assets	19	210,199,363	196,977,891	–	–
		980,808,884	951,388,950	796,810,936	779,185,150
Current assets					
Contract assets	4	8,513,419	10,226,855	–	–
Trade and other receivables	13	27,248,197	45,774,071	24,803,955	79,851
Prepayments		1,563,224	1,395,261	71,805	132,397
Cash and cash equivalents	14	58,571,524	89,372,805	9,180,172	43,986,977
Amount due from related parties	16	852,097	–	151,556	–
		96,748,461	146,768,992	34,207,488	44,199,225
Total assets		1,077,557,345	1,098,157,942	831,018,424	823,384,375
Current liabilities					
Contract liabilities	4	5,108,833	727,093	–	279,212
Trade and other payables	15	19,929,628	26,899,914	706,795	431,588
Advance from related parties	16	14,963,268	7,894,379	–	–
Lease liabilities	19	27,170,547	21,325,998	–	–
Loans and borrowing	20	221,876,425	9,938,760	221,876,425	9,938,760
		289,048,701	66,786,144	222,583,220	10,649,560
Net current liabilities		(192,300,240)	79,982,848	(188,359,974)	33,549,665
Non-current liabilities					
Advance from related parties	16	8,062,079	32,640,765	32,753,976	32,640,765
Provision for restoration cost	17	15,585,276	9,285,951	–	–
Lease liabilities	19	210,728,831	193,942,636	–	–
Loans and borrowing	20	–	189,950,022	–	189,950,022
Deferred tax liabilities	9	22,524,540	25,409,166	–	–
		256,900,726	451,228,540	32,753,976	222,590,787
Total liabilities		545,949,427	518,014,684	255,337,196	233,240,347
Net assets		531,607,918	580,143,258	575,681,228	590,144,028

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Consolidated statement of financial position
As at 31 December 2023**

		Group		Company	
	Note	2023	2022	2023	2022
		US\$	US\$	US\$	US\$
Equity attributable to owners of the Company					
Share capital	18	614,684,529	614,405,316	614,684,529	614,405,316
Accumulated losses		(80,544,942)	(33,198,867)	(39,003,301)	(24,261,288)
Other reserves	21	(2,531,669)	(1,063,191)	-	-
Total equity		531,607,918	580,143,258	575,681,228	590,144,028
Total equity and liabilities		1,077,557,345	1,098,157,942	831,018,424	823,384,375

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Consolidated statement of changes in equity
For the financial year ended 31 December 2023**

Group	Note	Share capital US\$	Accumulated losses US\$	Foreign currency translation reserves (Note 21) US\$	Share-based reserve (Note 21) US\$	Total other reserves US\$	Total US\$
At 1 January 2022		614,405,316	(12,374,918)	94,542	–	94,542	602,124,940
Loss for the financial year		–	(20,823,949)	–	–	–	(20,823,949)
Contributions by and distributions to owners		–	–	–	–	–	–
Grant of equity-settled share units to employees		–	–	–	245,330	245,330	245,330
<u>Other comprehensive income</u>		–	–	–	–	–	–
Foreign currency translation		–	–	(1,403,063)	–	(1,403,063)	(1,403,063)
At 31 December 2022 and at 1 January 2023		614,405,316	(33,198,867)	(1,308,521)	245,330	(1,063,191)	580,143,258
Loss for the financial year		–	(47,346,075)	–	–	–	(47,346,075)
<u>Contributions by and distributions to owners</u>		–	–	–	–	–	–
Issuance of shares	18	279,213	–	–	–	–	279,213
Grant of equity-settled share units to employees		–	–	–	37,495	37,495	37,495
Forfeiture and repurchase by the group		–	–	–	(216,129)	(216,129)	(216,129)
<u>Other comprehensive income</u>		–	–	–	–	–	–
Foreign currency translation		–	–	(1,289,844)	–	(1,289,844)	(1,289,844)
At 31 December 2023		614,684,529	(80,544,942)	(2,598,365)	66,696	(2,531,669)	531,607,918

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Consolidated statement of changes in equity
For the financial year ended 31 December 2023**

Company	Note	Share capital US\$	Accumulated losses US\$	Total US\$
At 1 January 2022		614,405,316	(11,827,586)	602,577,730
Loss for the financial year		–	(12,433,702)	(12,433,702)
At 31 December 2022 and at 1 January 2023		614,405,316	(24,261,288)	590,144,028
Shares issued	18	279,213	–	279,213
Loss for the financial year		–	(14,742,013)	(14,742,013)
At 31 December 2023		614,684,529	(39,003,301)	575,681,228

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Consolidated statement of cash flows
For the financial year ended 31 December 2023**

	Note	2023 US\$	2022 US\$
Operating activities			
Loss before tax		(49,627,151)	(20,502,877)
<u>Adjustments for:</u>			
Depreciation expense for property, plant and equipment	11	24,494,205	21,519,163
Impairment of property, plant and equipment		5,778,477	–
Depreciation expense for right-of-use assets	19	31,755,194	25,894,373
Lease termination expense	6	4,808,638	–
Gain on lease modification	6	(4,858)	–
Amortisation of intangible assets	12	4,702,597	5,164,835
Interest income	8	(593,673)	(83,630)
Interest expense	7	20,214,155	15,704,475
Finance fees		1,453,875	1,515,604
Share-based payment expense	5	(178,102)	244,647
Net foreign exchange differences		(24,770)	–
Operating cash flows before changes in working capital		42,778,587	49,456,590
<u>Changes in working capital:</u>			
Decrease in trade and other receivables		2,865,885	16,998,543
Decrease/ (increase) in contract assets		826,098	(1,718,932)
(Decrease)/ increase in trade and other payables		(7,654,688)	9,945,216
Increase/ (decrease) in contract liabilities		4,914,224	(6,172,482)
Interest received	8	571,908	83,631
Income taxes paid		(516,186)	(108,619)
Net cash flows generated from operating activities		43,785,828	68,483,947
Investing activities			
Purchase of plant and equipment	A	(35,732,177)	(47,701,228)
Net cash flows used in investing activities		(35,732,177)	(47,701,228)
Financing activities			
Interest paid	20	(12,660,862)	(9,659,478)
Finance fees paid		(1,453,875)	(1,515,604)
Advances from related parties		14,278,871	30,665,284
(Repayment)/ proceeds from loans and borrowings	20	(9,977,370)	37,270,350
Proceeds from share issuance	18	279,213	–
Payment of lease liabilities	19	(29,251,922)	(28,505,468)
Net cash flows (used in)/ generated from financing activities		(38,784,945)	28,255,084
Net (decrease)/ increase in cash and cash equivalents		(30,732,294)	49,037,803
Cash and cash equivalents at beginning of year	14	89,372,805	40,633,183
Effect of exchange rate changes on cash and cash equivalents		(68,987)	(298,181)
Cash and cash equivalents at end of the year	14	58,571,524	89,372,805

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Consolidated statement of cash flows
For the financial year ended 31 December 2023**

Note to the consolidated statement of cash flows

A. Property, plant and equipment

	Note	2023 US\$	2022 US\$
Current year additions to property, plant and equipment	11	37,247,127	47,701,228
Less: Construction progress recognised on a completion basis and not yet paid		(1,514,950)	-
Net cash outflow on purchase of property, plant and equipment		35,732,177	47,701,228

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements For the financial year ended 31 December 2023

1. Corporate information

Powerdc Holdco Pte. Ltd. (the "Company") is a private limited liability company, incorporated and domiciled in Singapore.

The registered office and principal place of business of the Company is located at 77 Robinson Road #34-01 Robinson 77, Singapore 068896.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

The ultimate and immediate holding company is Vantage Data Centers APAC Holdings Pte. Ltd, a company incorporated in Singapore. Related companies refer to members of the ultimate holding company's group of companies.

2. Material accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

As at 31 December 2023, the Group's and Company's total current liabilities exceeded total current assets by US\$192,300,240 and US\$188,359,974 respectively (2022: total current assets exceeded total current liabilities by US\$79,982,848 and 33,549,665 respectively) and the Group recorded a loss after tax of US\$47,346,075 (2022: US\$20,823,949) for the financial year. The financial statements of the Group and Company have been prepared on a going concern basis as the Group has the right under the facilities agreement to extend the current loans and borrowings of US\$189,324,244 by an additional 24 months from 31 December 2024 and the related parties have given an undertaking not to recall amounts due to them of US\$14,963,268 until the cashflows of the Group permits to enable the Group to meet the liabilities as and when they fall due.

The financial statements are presented in United States Dollars ("US\$" or "USD"), except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2. Material accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to FRS 116 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 Statement of Cash Flows and FRS 107 Financial Instruments: Disclosures: Supplier Finance	1 January 2024
Amendments to FRS 1 Presentation of Financial Statement: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

2. Material accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(a) Basis of consolidation (cont'd)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability, are recognised in profit or loss.

Non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2. Material accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill (cont'd)

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Foreign currency

The financial statements are presented in United States Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at average exchange rate unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, profit or loss are translated using the exchange rates at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. Material accounting policies (cont'd)

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building equipment	5 to 15 years
Computer and software	2 to 8 years
Furniture and fittings	5 to 10 years
Office equipment	2 to 16 years
Renovation	Over the unexpired term of lease

Construction in progress is not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

2. Material accounting policies (cont'd)

2.7 Intangible assets (cont'd)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Customer related intangible assets

The customer related intangible assets were acquired in a business combination and is amortised on a straight-line basis over its finite useful life of 8-18 years (2022: 9-19 years).

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2. Material accounting policies (cont'd)

2.10 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The Group only has debt instruments at amortised cost.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

2. Material accounting policies (cont'd)

2.10 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2. Material accounting policies (cont'd)

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur, except for transaction costs directly attributable to financial liabilities. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.15 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

The subsidiary incorporated in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong SAR") is required to provide Mandatory Provident Fund retirement benefits scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees deemed eligible. Pension contributions are based on a percentage of the employees' basic salaries and are recognised as an expense in the period in which the related service is performed.

The subsidiary incorporated Malaysia makes contributions to the Employees Provident Fund, the national defined contribution plan. Contributions are recognised as an expense in the period in which the related service is performed.

2.16 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. Material accounting policies (cont'd)

2.16 Leases (cont'd)

As lessor

The Group enters into contracts with lease and non-lease components and accounts for each lease component within the contract as a lease separately from non-lease components of the contract i.e. sales of equipment and engineering support services.

The right to use an underlying asset is a separate lease component if both:

- (a) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee. Readily available resources are goods or services that are sold or leased separately (by the lessor or other suppliers) or resources that the lessee has already obtained (from the lessor or from other transactions or events); and
- (b) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

The transaction price is allocated between the lease and non-lease component based on the relative stand-alone selling price of the respective lease and non-lease component. If the stand-alone selling price is not directly observable, the Group estimates it by using the costs plus margin approach.

For the lease component in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is recognised on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Revenue recognition for non-lease component is in Note 2.17.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold buildings - over the unexpired term of the lease

2. Material accounting policies (cont'd)

2.16 Leases (cont'd)

As lessee (cont'd)

Right-of-use assets (cont'd)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Revenue

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services (i.e., based on the relative stand alone selling price).

The Group provides non-recurring engineering support services based on the customer's specifications which includes (but not limited to) procurement of equipment and project management services to set up the data hall and revenue is recognised by reference to each distinct performance obligation in the contract, i.e. when or as a performance obligation in the contract is satisfied. Revenue from procurement of equipment is recognised at a point in time while revenue from project management services are recognised over time.

2. Material accounting policies (cont'd)

2.17 Revenue (cont'd)

Revenue from non-recurring engineering support services are recognised on a net basis, as the Company is arranging for the equipment and services to be provided by another party.

Contract balances - contract assets

Contract assets primarily relate to the Group's right to consideration for service completed but not yet billed at reporting date. Contract assets are transferred to receivables when the right becomes unconditional.

2.18 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Material accounting policies (cont'd)

2.18 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.19 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Material accounting policies (cont'd)

2.20 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.21 Employee share plans

The Group operates a share scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the equity instruments at the date on which the equity instruments are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the share-based reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in staff costs.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. Significant accounting judgements and estimates (cont'd)

3.1 Judgements in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no significant judgement made in applying accounting policies.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, whichever is the higher of its fair value less costs of disposal and its value-in-use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of property, plant and equipment, intangible assets and right-of-use assets are disclosed in Note 11, 12 and 19 respectively to the financial statements.

(b) Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(c) Useful lives of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' estimated economic useful lives which takes into consideration the common life expectancies applied in the industry and the likelihood of renewal of the building lease where the property, plant and equipment is built on. The estimated useful lives are updated if expectations differ from previous estimates and any change to the estimated useful lives will affect future depreciation charges. The directors have relied upon past experience and industry practices in exercising their judgement. The carrying amount of property, plant and equipment is disclosed in Note 11.

(d) Provision for expected credit loss of trade receivables

The Group considers factors such as probability of insolvency or significant financial difficulties of the trade receivables and default or significant delay in payments in calculating expected credit loss. The amount and timing of future cash flows are then estimated based on historical credit loss experience for assets with similar credit risk characteristics and adjusted with forward-looking information such as forecast economic conditions. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information on expected credit loss of trade receivables is disclosed in Note 13.

4. Revenue

(a) Disaggregation of revenue

	Group	
	2023 US\$	2022 US\$
Business units		
VDC Powerbase Hong Kong Data Centers Limited	123,683,135	102,569,879
VDC Data Centers Malaysia Sdn. Bhd.	7,290,660	14,247,913
	130,973,795	116,817,792
Type of revenue		
Rendering of engineering support service under FRS 115	11,570,887	9,649,484
Lease income under FRS 116	119,402,908	107,168,308
	130,973,795	116,817,792
Timing of revenue recognition		
Services transferred over time	11,360,925	5,344,483
Service transferred at point in time	209,962	4,305,001
	11,570,887	9,649,484

Notes to the Financial Statements
For the financial year ended 31 December 2023

4. Revenue (cont'd)

(b) Lease income under FRS 116

The Group has entered into operating leases with customers for data-centre halls and office spaces with non-cancellable lease terms between 5 to 10 years. The leases include a clause for upward revision of the rental charge on an annual basis. Future minimum lease receivable from customers under non-cancellable operating lease are as follows:

	Group	
	2023 US\$	2022 US\$
<u>Operating lease</u>		
Within 1 year	69,812,695	70,150,385
Later than 1 year but no later than 5 years	156,923,038	166,313,159
Later than 5 years	27,098,758	7,397,706
	253,834,491	243,861,250

(c) Contract assets and contract liabilities

Information about the contract assets and contract liabilities from contracts with customers are disclosed as follows:

	Group	
	2023 US\$	2022 US\$
Contract assets	8,513,419	10,226,855
Contract liabilities	5,108,833	727,093

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relates to the Group's obligation to transfer goods and services to customers for which the Group receives in advance from customers. Contract liabilities are recognised as revenue as the Group performs its obligations under the contract.

Revenue recognised that was included in the contract liability balance at the beginning of the year amounted to US\$726,987 (2022: US\$6,353,082).

Contract assets movement:

	Group	
	2023 US\$	2022 US\$
At 1 January	10,226,855	8,507,923
Additions	2,259,350	10,201,878
Recognised in trade receivables	(3,903,054)	(8,463,555)
Exchange difference	(69,732)	(19,391)
	8,513,419	10,226,855

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Notes to the Financial Statements
For the financial year ended 31 December 2023**

4. Revenue (cont'd)

(c) Contract assets and contract liabilities (cont'd)

Contract liabilities movement:

	Group	
	2023	2022
	US\$	US\$
At 1 January	727,093	6,899,575
Additions	5,155,388	239,265
Recognised in revenue	(726,987)	(6,353,082)
Exchange difference	(46,661)	(58,665)
	5,108,833	727,093
At 31 December	5,108,833	727,093

5. Staff costs (including directors)

	Group	
	2023	2022
	US\$	US\$
Wages and salaries	6,697,009	6,970,065
Long term incentive plan	(178,102)	244,647
Contribution to defined contribution plans	405,404	435,543
Recruitment expenses	54,602	78,910
Staff welfare expenses	5,979	2,958
	6,984,892	7,732,123
	6,984,892	7,732,123

6. Other operating expense

	Group	
	2023	2022
	US\$	US\$
General and administrative expenses	1,270,831	2,844,680
Lease termination expense	4,803,780	-
Management fees	15,070,790	8,083,257
Travelling and entertainment	82,207	84,711
	21,227,608	11,012,648
	21,227,608	11,012,648

7. Interest expense

	Group	
	2023	2022
	US\$	US\$
Interest on a bank loan (Note 20)	12,073,694	9,632,310
Interest on lease liabilities (Note 19)	7,808,656	5,838,157
Interest on provision for restoration cost (Note 17)	331,805	234,008
	20,214,155	15,704,475
	20,214,155	15,704,475

Notes to the Financial Statements
For the financial year ended 31 December 2023

8. Interest income

	Group	
	2023 US\$	2022 US\$
Interest income from escrow account	–	59,199
Interest income on deposit	571,908	24,431
Interest income from lease	21,765	–
	593,673	83,630

9. Income tax credit / (expenses)

(a) *Major components of income tax*

The major components of income tax (credit)/expenses for the financial year ended 31 December 2023 and 2022 are:

	Group	
	2023 US\$	2022 US\$
Current income tax		
- Current year	388,311	106,511
- Under-provision in respect of prior year	158,776	2,108
Deferred income tax (credit)/expense		
- Current year	(2,541,272)	751,858
- Over-provision in respect of prior year	(286,891)	(539,405)
Income tax (credit)/expense recognised in profit or loss	(2,281,076)	321,072

(b) *Relationship between taxation and accounting loss*

The reconciliation between the taxation and the accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022, respectively, is as follows:

	2023 US\$	2022 US\$
Loss before tax	(49,627,151)	(20,502,877)
Tax credit at the applicable tax rate of 17%	(8,436,615)	(3,485,489)
Effect on different rates in other countries	(62,462)	650,360
Income not subjected to tax	(158,446)	(185,164)
Non-deductible expenses	7,174,907	3,214,877
Over-provision in respect of prior year, net	(128,115)	(537,297)
Utilisation of unrecognised deferred tax assets in prior year	(803,637)	–
Deferred tax assets not recognised	133,292	663,785
Income tax (credit)/ expenses recognised in profit or loss	(2,281,076)	321,072

9. Income tax credit / (expenses) (cont'd)

(b) Relationship between taxation and accounting loss (cont'd)

Unrecognised tax losses

At the end of the reporting period,, the Group has tax losses of approximately US\$78,756,166 (2022: US\$77,918,491) that are available to offset against future taxable profits of the companies in which the losses arose, for which no deferred tax assets are recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate including the retention of majority shareholders.

(c) **Deferred tax liabilities**

Deferred tax liabilities as at 31 December relate to the following:

	Balance sheet 2023 US\$	Balance sheet 2022 US\$	Group Statement of comprehensive income 2023 US\$	Statement of comprehensive income 2022 US\$
Deferred tax liability:				
Differences in depreciation for tax purposes	27,638,676	15,455,884	(12,095,861)	(907,216)
Fair value adjustments on acquisition of subsidiary	9,282,405	9,953,282	670,284	694,763
Unutilised tax losses	(12,990,188)	-	12,956,714	-
Expected credit losses of trade receivables	(39,513)	-	39,411	-
Leases	(159,484)	-	88,376	-
Provisions	(1,207,356)	-	1,169,239	-
	<u>22,524,540</u>	<u>25,409,166</u>	<u>2,828,163</u>	<u>(212,453)</u>

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries, as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

10. Investment in subsidiary

	Company	
	2023 US\$	2022 US\$
Unquoted shares, at cost	772,040,847	732,073,809

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements
For the financial year ended 31 December 2023

10. Investment in subsidiary (cont'd)

Composition of the Group

The Group has the following investments in subsidiaries as of 31 December 2023 and 2022:

Name of company (Country of Incorporation)	Principal activities (Place of business)	% of equity held by the Group	
		2023	2022
<i>Held by the Company:</i>			
Digital Treasure Holdings Limited (British Virgin Islands)	Investment Holdings (British Virgin Islands)	100	100
<i>Held through Digital Treasure Holdings Limited:</i>			
VDC Powerbase Hong Kong Data Centers Limited (Hong Kong)	Colocation services (Hong Kong)	100	100
VDC Data Centers Malaysia Sdn. Bhd. (Malaysia)	Colocation services (Malaysia)	100	100
<i>Held through VDC Powerbase Hong Kong Data Centers Limited:</i>			
VDC HKG51 Limited (Hong Kong)	Colocation services (Hong Kong)	100	100

Additional capital investment into subsidiary

On 15 February 2023, the Company increased its investment in Digital Treasure Holdings Limited ("DTH"), a wholly owned subsidiary of the Company, by converting an existing loan receivable balance of US\$39,967,038 with DTH into 1 issued and paid-up ordinary share in DTH of equivalent value. Subsequent to this additional capital investment, the issued and paid-up capital of DTH is US\$796,846,454.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements
For the financial year ended 31 December 2023

11. Property, plant and equipment

Group	Building equipment US\$	Computer and software US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Construction in progress US\$	Total US\$
Cost:							
At 1 January 2022	182,933,236	5,357,129	1,907,313	57	140,320	46,759,718	237,097,773
Reclassification*	(45,561,132)	8,261,677	34,876,294	31,000,938	31,265	(28,609,042)	—
Additions	2,124,342	4,239,561	2,784,686	2,530,118	601,297	35,421,224	47,701,228
Exchange difference	(500,834)	(152,115)	(92,739)	(145,592)	(8,804)	(65,633)	(965,717)
At 31 December 2022 and at 1 January 2023	138,995,612	17,706,252	39,475,554	33,385,521	764,078	53,506,267	283,833,284
Reinstate of cost	56,511,633	5,003,951	15,438,248	33,890,566	188,462	—	111,032,860
Reclassification*	(142,418)	—	—	—	907,444	(765,026)	—
Additions	4,149,563	2,027,899	276,079	4,667,092	344,012	25,782,482	37,247,127
Exchange difference	(81,810)	(7,244)	(22,349)	(49,062)	(273)	(31,828)	(192,566)
At 31 December 2023	199,432,580	24,730,858	55,167,532	71,894,117	2,203,723	78,491,895	431,920,705

* During the financial year ended 31 December 2022, the Group has conducted an exercise to reclassify the assets to better reflect the underlying nature. The reclassification was corrected prospectively as the impact to the prior period is not material.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements
For the financial year ended 31 December 2023

11. Property, plant and equipment (cont'd)	Group	Building Equipment US\$	Computer and software US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Construction in progress US\$	Total US\$
	Accumulated depreciation							
	At 1 January 2022	(1,255,108)	(204,161)	(39,653)	–	(1,004)	–	(1,499,926)
	Depreciation charge	(3,652,613)	(1,645,102)	(3,646,445)	(12,558,524)	(16,479)	–	(21,519,163)
	Exchange difference	240,671	26,168	31,163	43,490	6,712	–	348,204
	At 31 December 2022 and at 1 January 2023	(4,667,050)	(1,823,095)	(3,654,935)	(12,515,034)	(10,771)	–	(22,670,885)
	Reinstate of depreciation	(56,515,347)	(5,003,937)	(15,442,449)	(33,889,222)	(181,905)	–	(111,032,860)
	Depreciation charge	(15,858,353)	(2,276,810)	(3,764,210)	(2,377,743)	(217,089)	–	(24,494,205)
	Impairment	(4,209,958)	(289,640)	(933,921)	(344,958)	–	–	(5,778,477)
	Exchange difference	95,114	13,656	22,577	14,261	1,302	–	146,910
	31 December 2023	(81,155,594)	(9,379,826)	(23,772,938)	(49,112,696)	(408,463)	–	(163,829,517)
	Net carrying amount							
	At 31 December 2022	134,328,562	15,883,157	35,820,619	20,870,487	753,307	53,506,267	261,162,399
	At 31 December 2023	118,276,986	13,351,032	31,394,594	22,781,421	1,795,260	78,491,895	268,091,188

12. Intangible assets

Group	Customer related intangible assets US\$	Goodwill US\$	Total US\$
Cost			
At 1 January 2022	61,000,000	437,843,555	498,843,555
Exchange difference	(8,543)	–	(8,543)
<hr/>			
At 31 December 2022, 1 January 2023 and 31 December 2023	60,991,457	437,843,555	498,835,012
<hr/>			
Accumulated amortisation			
At 1 January 2022	417,333	–	417,333
Amortisation charge	5,164,835	–	5,164,835
Exchange difference	4,184	–	4,184
<hr/>			
At 31 December 2022 and at 1 January 2023	5,586,352	–	5,586,352
Amortisation charge	4,702,597	–	4,702,597
Exchange difference	3,320	–	3,320
<hr/>			
At 31 December 2023	10,292,269	–	10,292,269
<hr/>			
Net carrying amount			
At 31 December 2022	55,405,105	437,843,555	493,248,660
<hr/>			
At 31 December 2023	50,699,188	437,843,555	488,542,743
<hr/>			

Impairment testing of goodwill

Goodwill represents the excess of purchase consideration over the fair value of the net identifiable assets of Digital Treasure Holdings Limited, and have been allocated to two cash-generating units (CGU), for impairment testing, as follows:

	Group 2023 and 2022 US\$
VDC Powerbase Hong Kong Data Centers Limited	420,454,943
VDC Data Centers Malaysia Sdn. Bhd.	17,388,612
	<hr/>
	437,843,555
	<hr/>

VDC Powerbase Hong Kong Data Centers Limited

For the purpose of impairment testing, the recoverable amount of the CGU has been determined based on fair value less cost of disposal calculated using level 3 inputs for earnings multiple appropriate for the market the CGU operates. No impairment was recognised as the fair value less cost of disposal has exceeded the carrying value.

12. Intangible assets (cont'd)

VDC Powerbase Hong Kong Data Centers Limited (cont'd)

Key assumptions used in the fair value less cost to disposal calculation

The calculation of fair value less cost to disposal for the CGU is most sensitive to the following assumptions:

- (a) Earnings before interest, tax, depreciation and amortisation (EBITDA) multiple – EBITDA multiples are based on an average of actual transactions of comparable companies that have similar industry and operating characteristics. The EBITDA multiple applied to the forecasted EBITDA is 30 (2022: 25).
- (b) Cost to disposal – Costs of disposal are incremental costs directly attributable to the disposal of the CGU. The cost of disposal as a percentage of the transaction price is arrived at based on average merger and acquisition transaction cost such as legal cost, stamp duties etc. for deals involving target companies of the same size and similar industry. The cost of disposal deducted is 2% of the estimated transaction price of the CGU.

VDC Data Centers Malaysia Sdn. Bhd.

For the purpose of impairment testing, the recoverable amounts of the CGU has been determined based on value in use calculations using cash flow projections from financial forecasts approved by management covering a six-year period. No impairment was recognised as the anticipated future cash flows on a discounted basis has exceeded the carrying value.

Key assumptions used in the value in use calculations

The calculation of value in use for the CGU is most sensitive to the following assumptions:

- (a) Pre-tax discount rate – Discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. The pre-tax and post-tax discount rate applied to the cash flow projection was 13.0% and 10.0% (2022: 10.3% and 9.2 %), respectively.
- (b) Terminal growth rates used to extrapolate cash flows beyond the forecast period- Cash flow beyond the six-year period are extrapolated using a 2.5% growth rate, that is the same as the long term forecast of real gross domestic product and consumer price index in Malaysia.

Notes to the Financial Statements
For the financial year ended 31 December 2023

13. Trade and other receivables	Group		Company	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Trade and other receivables (current)				
Trade receivables	24,487,265	29,743,772	–	–
Less: Allowance for expected credit loss	(239,472)	(333,852)	–	–
Other receivables	2,486,988	1,908,729	112,057	79,851
Deposits	513,416	14,455,422	–	–
Loan due from subsidiaries	–	–	24,691,898	–
	<u>27,248,197</u>	<u>45,774,071</u>	<u>24,803,955</u>	<u>79,851</u>
Other receivables (non-current)				
Deposits	13,975,590	–	–	–
Total trade and other receivables	<u>41,223,787</u>	<u>45,774,071</u>	<u>24,803,955</u>	<u>79,851</u>

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables are denominated in Hong Kong Dollar (HKD) and Malaysian Ringgit (MYR).

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2023 US\$	2022 US\$
At 1 January	333,852	561,563
Write-back for the financial year	(94,137)	(226,284)
Exchange difference	(243)	(1,427)
	<u>239,472</u>	<u>333,852</u>
At 31 December		

The Group continues to enhance and streamline its collection processes. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. At 31 December 2023, the Group has reviewed credit risk, assessed the collectability of trade receivables and has determined an appropriate level of provisioning for doubtful debt after taking into account ageing risk and credit risk of debtors. These receivables are not secured by any collateral or credit enhancements.

Notes to the Financial Statements
For the financial year ended 31 December 2023

13. Trade receivables and other receivables (cont'd)

The Group provide for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates for the Group are determined based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix.

Group	Current US\$	Past due					Total US\$
		1 to 30 days US\$	31 to 60 days US\$	61 to 90 days US\$	91 to 120 days US\$	More than 121 days US\$	
31 December 2023							
Gross carrying amount	12,821,757	8,926,026	1,338,723	250,001	769,241	381,517	24,487,265
Allowance for expected credit loss	-	187,992	26,252	3,586	14,471	7,171	239,472

Group	Current US\$	Past due					Total US\$
		1 to 30 days US\$	31 to 60 days US\$	61 to 90 days US\$	More than 90 days US\$	More than 121days US\$	
31 December 2022							
Gross carrying amount	257,109	6,386,492	4,565,100	14,810,324	1,805,367	1,919,381	29,743,772
Allowance for expected credit loss	-	113,333	89,898	69,024	24,844	36,753	333,852

14. Cash and cash equivalents

	Group		Company	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Cash at bank	58,571,524	89,372,805	9,180,172	43,986,977

Cash and cash equivalents comprise cash at bank and earns interest at floating rates based on daily bank deposit rates.

Notes to the Financial Statements
For the financial year ended 31 December 2023

14. Cash and cash equivalents (cont'd)

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
SGD	219,134	402,329	219,134	402,330
HKD	35,582,313	37,748,677	8,301,999	13,395,748
MYR	13,527,310	8,229,224	–	–
CNY	–	732	–	–

15. Trade and other payables

	Group		Company	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Trade payables	2,559,976	20,484,652	–	50,612
Other payables				
Deposit from customers	1,121,870	548,245	–	–
Accrued expenses	16,247,782	5,867,017	706,795	380,976
	19,929,628	26,899,914	706,795	431,588

Trade payables are non-interest bearing and the average credit period is 45 to 60 days. As at 31 December 2023, accrued expenses amounting to US\$1,514,950 relates to accrual of cost with respect to capital expenditure arising from VDC Powerbase Hong Kong Data Center Limited and VDC Data Centers Malaysia Sdn. Bhd..

16. Advance from related parties / amount due from related parties**Advance from related parties**

	Group		Company	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Current				
Amount due to related parties	14,963,268	7,894,379	–	–
Non-current				
Advances from immediate holding company	8,062,079	32,640,765	8,062,079	32,640,765
Amount due to subsidiaries	–	–	24,691,897	–
	8,062,079	32,640,765	32,753,976	32,640,765
Total advances from related parties	23,025,347	40,535,144	32,753,976	32,640,765

Notes to the Financial Statements
For the financial year ended 31 December 2023

16. Advance from related parties / amount due from related parties (cont'd)

Advance from related parties (cont'd)

As at 31 December 2023, the advances from immediate holding company balance relates to capital injection that has yet to be converted to share capital. The balances with the holding company are unsecured and non-interest bearing. The immediate holding company agreed with the Group not to demand for repayment and will be treated as a quasi equity capital contribution to the Company accordingly.

During the year ended 31 December 2023, the Group has entered into a loan agreement with its holding company to convert the advance balance of US\$32,640,765 into loans from holding company.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

Group

	1 January 2023 US\$	Cash flows US\$	Additions US\$	Non-cash changes Conversion of advances from holding company US\$	Others US\$	31 December 2023 US\$
Non-current Advances from immediate holding company	32,640,765	7,960,032	–	(32,640,765)	102,047	8,062,079

Group

	1 January 2022 US\$	Cash flows US\$	Additions US\$	Non-cash changes Conversion of advances from holding company US\$	Others US\$	31 December 2022 US\$
Non-current Advances from immediate holding company	9,869,860	22,770,905	–	–	–	32,640,765

Amount due from related parties

	Group		Company	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Current				
Amount due from immediate holding company	151,556	–	151,556	–
Amount due from related parties	700,541	–	–	–
	852,097	–	151,556	–
Non-current				
Amount due from subsidiaries	–	–	24,770,089	47,111,341
Total	852,097	–	24,921,645	47,111,341

16. Advance from related parties / amount due from related parties (cont'd)**Amount due from related parties (cont'd)**

Amount due from immediate holding company relates to payment on behalf and amount due from related parties relates to sub-lease of lease in VDC Powerbase Hong Kong Limited to Vantage Data Centers Hong Kong Limited. They are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The amount due from subsidiary relates to reassignment of amount due from subsidiaries in Digital Treasure Holdings Limited to loan receivables in Powerdc Holdco Pte Ltd. It is non-trade in nature, unsecured and non-interest bearing.

17. Provision for restoration cost

	Group	
	2023 US\$	2022 US\$
Non-current		
At 1 January	9,285,951	5,448,047
Additions	5,840,930	3,603,896
Accretion of interest (Note 7)	331,805	234,008
Exchange difference	126,590	–
At 31 December	15,585,276	9,285,951

The Group recorded a provision related to the requirements at the end of its buildings lease term to restore the buildings back to its original condition. The associated cost was capitalised as an increase in the cost of buildings in rights of use assets and is depreciated over the remaining useful life of the lease term. The provision, both initially and subsequently, is measured based on the estimated expenditure required to settle the present obligation at the reporting date and reflects a current market-based discount rate of 3.0% - 4.1% (2022: 3.0% - 4.1%). The Group expects to incur the liability at the end of the lease term.

18. Share capital

	Group and Company	
	2023	
	No. of shares	US\$
Issued and fully paid ordinary shares:		
At 1 January 2023	614,405,316	614,405,316
Shares issued	279,213	279,213
At 31 December 2023	614,684,529	614,684,529
	Group and Company	
	2022	
	No. of shares	US\$
Issued and fully paid ordinary shares:		
At 1 January 2022 and 31 December 2022	614,405,316	614,405,316

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Notes to the Financial Statements
For the financial year ended 31 December 2023**

18. Share capital (cont'd)

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

19. Leases

Group as a lessee

The Group has lease contracts for data centre spaces and office premises.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Group	
	2023	2022
	US\$	US\$
As at 1 January	196,977,891	108,201,825
Additions	46,388,045	115,252,858
Depreciation expense	(31,755,194)	(25,894,373)
Lease modification	(903,009)	–
Exchange difference	(508,370)	(582,419)
	<hr/>	<hr/>
As at 31 December	210,199,363	196,977,891

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group	
	2023	2022
	US\$	US\$
Lease liabilities		
As at 1 January	215,268,634	126,605,437
Additions	44,572,460	111,427,993
Accretion of interest (Note 7)	7,808,656	5,838,157
Payments	(29,251,922)	(28,505,468)
Exchange difference	(498,450)	(97,485)
	<hr/>	<hr/>
As at 31 December	237,899,378	215,268,634
	<hr/>	<hr/>
Current lease liabilities	27,170,547	21,325,998
Non-current lease liabilities	210,728,831	193,942,636
	<hr/>	<hr/>
	237,899,378	215,268,634

Notes to the Financial Statements
For the financial year ended 31 December 2023

19. Leases (cont'd)

Group as a lessee (cont'd)

The following are the amounts recognised in profit or loss:

	Group	
	2023 US\$	2022 US\$
Depreciation expense of right-of-use asset	31,755,194	25,894,373
Interest on lease liabilities (Note 7)	7,808,656	5,838,157
Lease termination expense	4,813,496	–
Interest income from lease (Note 8)	21,765	–
Total amount recognised in profit or loss	44,399,111	31,732,530

The Group had total cash outflows for leases of US\$29,251,922 (2022: US\$28,505,468).

A reconciliation of liabilities arising from the Group's financing activities is as follows:

Group

	1 January 2023 US\$	Cash flows US\$	Non-cash changes			31 December 2023 US\$
			Additions US\$	Accretion of interest US\$ (Note 7)	Others US\$	
Current						
Lease liabilities	21,325,998	(29,251,922)	3,170,836	7,808,656	24,116,979	27,170,547
Non-current						
Lease liabilities	193,942,636	–	41,401,624	–	(24,615,429)	210,728,831
Total	215,268,634	(29,251,922)	44,572,460	7,808,656	(498,450)	237,899,378

	1 January 2022 US\$	Cash flows US\$	Non-cash changes			31 December 2022 US\$
			Additions US\$	Accretion of interest US\$ (Note 7)	Others US\$	
Current						
Lease liabilities	22,254,982	(28,505,468)	736,031	5,838,157	21,002,296	21,325,998
Non-current						
Lease liabilities	104,350,455	–	110,691,962	–	(21,099,781)	193,942,636
Total	126,605,437	(28,505,468)	111,427,993	5,838,157	(97,485)	215,268,634

Other non-cash changes from the above table comprise of additions due to acquisition of subsidiary and reclassification of non-current portion of lease liabilities, and conversion of advances from Holding Company.

19. Leases (cont'd)

Group as a lessor

On 1 January 2023, the Group has subleased its office property under a finance lease arrangement. The sublease have a lease term of 2 years and 3 months. Rental income received by the Company during the year was US\$305,337. In the prior year, there was no sublease arrangement.

Future minimum rentals receivable under non-cancellable finance lease as at 31 December 2023 are, as follows:

	2023 US\$	2022 US\$
Within one year	417,777	–
Between 1 and 2 years	104,444	–
Total	522,221	–

20. Loans and borrowings

	Due date	Group and Company	
		2023 US\$	2022 US\$
Current:			
Loan at Hong Kong Interbank Offered Rate (HIBOR) + 3.7% p.a.	December 2024	189,324,244	9,938,760
Loans due to immediate holding company	June 2025	32,552,181	–
		221,876,425	9,938,760
Non-current:			
Loan at HIBOR + 3.7% p.a.		–	189,950,022
		–	189,950,022
		221,876,425	199,888,782

Notes to the Financial Statements
For the financial year ended 31 December 2023

20. Loans and borrowings (cont'd)

Loans due to immediate holding company

Loans due to immediate holding company are unsecured, non-interest bearing and repayable on demand. They are denominated in USD.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	As at 1 January 2023 US\$	Conversion of advances from holding company US\$	Proceeds US\$	Others US\$	As at 31 December 2023 US\$
Current					
Loans due to immediate holding company	–	32,640,765	–	(88,584)	32,552,181
Total	–	32,640,765	–	(88,584)	32,552,181

Bank Loan

This loan is repayable in four tranches. The first tranche is due 18 months after initial utilisation, the second and the third tranche is due every 6 months thereafter and the final tranche is due at the termination date. The termination date is extendable for two 12-month periods from the original termination date of December 2024.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	As at 1 January 2023 US\$	<u>Cashflows</u>				As at 31 December 2023 US\$
		Interest paid US\$	Repayments US\$	Accretion of interest US\$ (Note 7)	Others US\$	
Bank borrowings						
Non-current	189,950,022	–	–	–	(189,950,022)	–
Current	9,938,760	(12,660,862)	(9,977,370)	12,073,694	189,950,022	189,324,244
Total	199,888,782	(12,660,862)	(9,977,370)	12,073,694	–	189,324,244

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements
For the financial year ended 31 December 2023

20. Loans and borrowings (cont'd)

Bank Loan (cont'd)

	<u>Cashflows</u>					As at 31 December 2022 US\$
	As at 1 January 2022 US\$	Interest paid US\$	Proceeds US\$	Accretion of interest US\$ (Note 7)	Others US\$	
Bank borrowings						
Non-current	162,645,600	(9,220,411)	37,270,350	9,193,243	(9,938,760)	189,950,022
Current	–	(439,067)	–	439,067	9,938,760	9,938,760
Total	162,645,600	(9,659,478)	37,270,350	9,632,310	–	199,888,782

The Group's bank loans and borrowings are denominated in HKD.

21. Other reserve

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Share-based reserve

The long term incentive plan was administered via the issuance of management incentive units, which are also referred to as profits interest units. The units may be issued to eligible participants for the performance of services to or for the benefit of the Group. One class of unit (Class E) representing limited liability group interests in Skyline Associates, LP ("Skyline Associates"), is granted. Because the units are granted to employees of the Group in exchange for services provided to the Group, the Group recognizes expense associated with the units in its financial statements.

Unit holders are eligible to participate in the distributions to owners of Skyline JV, LP ("Skyline JV") based on defined criteria in the formation and operating agreement of the entity. If a unitholder's ceases employment with the Group, Skyline Associates or the Group has a right to repurchase any vested units at their current value, as determined using acceptable valuation techniques. Any unvested units are forfeited. If a unitholder's employment is terminated with cause, the legal and beneficial title to all units, including vested units, shall be automatically returned and cancelled without consideration.

The Class E units were initially granted on 31 January 2022. The units have service-based conditions and vest over a four-year period from each grant date, with 25% of each award vesting on the first, second, third and fourth anniversary dates of the grant date. The units also automatically vest upon a change in control of Skyline JV or the Group. In 2023, 211,782 Class E units were granted with the same conditions.

Notes to the Financial Statements
For the financial year ended 31 December 2023

21. Other reserve (cont'd)

Share-based reserve (cont'd)

The following is a summary of Class E units granted to employees of the Group:

	Group			
	2023		2022	
	Units	Weighted- average grant date fair value	Units	Weighted- average grant date fair value
Outstanding at 1 January	2,611,347	US\$ 0.0725	–	–
Granted	211,782	US\$ 0.1	11,185,923	US\$ 0.0725
Repurchased by Group	(837,446)	US\$ 0.0725	(2,143,644)	US\$ 0.0725
Forfeited	(12,554)	US\$ 0.1	(6,430,932)	US\$ 0.0725
Outstanding at 31 December	1,973,129	US\$ 0.0753	2,611,347	US\$ 0.0725
Vested at 31 December	832,281	US\$ 0.0801	212,500	US\$ 0.0725

The fair market value of the Class E units was estimated using the Black-Scholes valuation model and the Group used the following methods to determine its underlying assumptions: expected volatilities are based on the historical data of a group of public companies the Group believes represent a comparable peer group; the expected term of units is based on the estimated time to a liquidity event resulting in distributions to unit holders and the risk-free interest rate is based on the U.S. Treasury bonds issued with similar life terms to the expected life of the grant.

The following key assumptions were used in the valuation model to value grants of Class E units as grant date:

- Expected volatility 28.2% (2022: 28.2%)
- Expected term 4 years (2022: 5 years)
- Risk-free interest rate 3.8% (2022: 1.6%)
- Dividend yield 0% (2022: 0%)

22. Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	2023 US\$	2022 US\$
Management fees charged by fellow subsidiaries	15,070,790	8,083,257

22. Related party transactions (cont'd)

(b) *Compensation of key management personnel*

	2023 US\$	2022 US\$
Short-term employee benefits	1,372,800	492,590
Post-employment benefits (including Central Provident Fund)	36,822	39,899
Share-based payments	38,368	153,189
	1,447,990	685,678

23. Contingent liabilities

Bank guarantee

The Company has obtained a revolving credit facility as at 31 December 2023 in the amount of HKD\$274,385,451 from Deutsche Bank AG, Singapore Branch and ING Bank N.V., Singapore Branch. The purpose of this revolving credit facility is to back a counter guarantee in the amount of HKD274,385,450.43 (US\$35,039,000) issued by Deutsche Bank AG, Singapore Branch and ING Bank N.V, Singapore Branch to HSBC. This in turn provides support for a bank guarantee that HSBC has issued for the Company's subsidiary, VDC Powerbase Hong Kong Data Centers Limited, with respect to rental payment liabilities to a landlord.

Corporate guarantee

The Company has provided corporate guarantee on behalf of its subsidiary, VDC Powerbase Hong Kong Data Centers Limited for rents and all other charges with respect to two rental agreements with third parties.

Customer claims

In the previous financial year, the Company received a claim from one of its customers regarding certain damaged equipment and other losses incurred at its data centre premises due to a power outage. As of 31 December 2023, the case was still ongoing, and the Company has yet to reach an agreement with the customer regarding compensation. In the opinion of directors, it is impracticable to estimate the timing of settlement or the potential amount of compensation at this stage.

24. Financial risk management objectives and policies

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

24. Financial risk management objectives and policies (cont'd)

(a) *Foreign currency risk*

The Group and Company have currency exposure mainly arising from its Hong Kong Dollar denominated loan. The Group and Company does not apply hedge accounting to hedge its foreign currency risk arising.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the SGD, HKD, and MYR exchange rates against the functional currency of the Group entities, with all other variables held constant.

		Effect on loss before tax	
		2023	2022
		US\$	US\$
SGD/USD	- strengthened 5%	(629,599)	11,472
	- weakened 5%	629,599	(11,472)
HKD/USD	- strengthened 5%	(7,751,333)	(8,341,849)
	- weakened 5%	7,751,333	8,341,849
MYR/USD	- strengthened 5%	270,057	15,235
	- weakened 5%	(270,057)	(15,235)

(b) *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 instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises from its loans and borrowings.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if the interest rate at the date had been 100 basis point lower/higher with all other variables held constant, the Group's loss before tax would have been US\$1,893,242 lower/higher as a result of lower/higher interest expense.

(c) *Credit risk*

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

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. The Group has a large customer base which allows the risk to be spread over a large number of counterparties and not concentrated.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

24. Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments or there is significant difficulty of the counterparty.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The quantitative and qualitative information about amounts arising from expected credit losses for trade receivables is disclosed in Note 13.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Notes to the Financial Statements
For the financial year ended 31 December 2023

24. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	1 year or less US\$	1 year to 5 years US\$	More than 5 years US\$	Total US\$
2023				
<i>Financial assets:</i>				
Trade and other receivables	27,248,197	13,975,590	–	41,223,787
Contract assets	8,513,419	–	–	8,513,419
Amount due from related parties	852,097	–	–	852,097
Cash and cash equivalents	58,571,524	–	–	58,571,524
Total undiscounted financial assets	95,185,237	13,975,590	–	109,160,827
<i>Financial liabilities:</i>				
Trade and other payables	19,929,628	–	–	19,929,628
Amount due to related parties	14,963,268	–	–	14,963,268
Lease liabilities	34,579,697	129,239,737	112,317,611	276,137,045
Loans and borrowings	238,674,991	–	–	238,674,991
Total undiscounted financial liabilities	308,147,584	129,239,737	112,317,611	549,704,932
Total net undiscounted financial liabilities	(212,962,347)	(115,264,147)	(112,317,611)	(440,544,105)
2022				
<i>Financial assets:</i>				
Trade and other receivables	45,774,071	–	–	45,774,071
Contract assets	10,226,855	–	–	10,226,855
Cash and cash equivalents	89,372,805	–	–	89,372,805
Total undiscounted financial assets	10,226,855	–	–	10,226,855
<i>Financial liabilities:</i>				
Trade and other payables	26,899,914	–	–	26,899,914
Amount due to related parties	7,894,379	–	–	7,894,379
Lease liabilities	28,575,937	123,745,608	101,437,400	253,758,945
Loans and borrowings	11,524,729	220,261,123	–	231,785,852
Total undiscounted financial liabilities	74,894,959	344,006,731	101,437,400	520,339,090
Total net undiscounted financial assets/(liabilities)	70,478,772	(344,006,731)	(101,437,400)	(374,965,359)

Notes to the Financial Statements
For the financial year ended 31 December 2023

24. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company	1 year or less US\$	1 year to 5 years US\$	Total US\$
2023			
Financial assets:			
Cash and cash equivalents	9,180,172	–	9,180,172
Other receivables	24,803,955	–	24,803,955
Amount due from related parties	151,556	24,770,089	24,921,645
Total undiscounted financial assets	34,135,683	24,770,089	58,905,772
Financial liabilities:			
Other payables	706,795	–	706,795
Loans and borrowings	238,674,991	–	238,674,991
Amount due to subsidiaries	–	24,691,897	24,691,897
Total undiscounted financial liabilities	239,381,786	24,691,897	264,073,683
Total net undiscounted financial (liabilities)/assets	(205,246,103)	78,192	(205,167,911)
2022			
Financial assets:			
Cash and cash equivalents	43,986,977	–	43,986,977
Other receivables	79,851	–	79,851
Amount due from related parties	47,111,341	–	47,111,341
Total undiscounted financial assets	91,178,169	–	91,178,169
Financial liabilities:			
Trade and other payables	431,588	–	431,588
Loans and borrowings	11,524,729	220,261,123	231,785,852
Total undiscounted financial liabilities	11,956,317	220,261,123	232,217,440
Total net undiscounted financial assets/(liabilities)	79,221,852	(220,261,123)	(141,039,271)

27. Fair values of assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying amounts of trade and other receivables, cash and cash equivalents, trade and other payables and advance from related parties/ amount due from related parties approximate their fair values due to the short-term nature of these balances.

Loan and borrowings are floating rate instruments that are re-priced to market interest rate on or near the balance sheet date.

28. Financial instruments

Category of financial instruments

The carrying amount by category of financial assets and liabilities are as follows:

	Group		Company	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
<i>Financial assets carried at amortised cost</i>				
Trade and other receivables	41,223,787	45,774,071	24,803,955	79,851
Contract assets	8,513,419	10,226,855	–	–
Amount due from related parties	852,097	–	24,905,887	47,111,341
Cash and cash equivalents	58,571,524	89,372,805	9,180,172	43,986,977
	100,647,408	145,373,731	58,890,014	91,178,169

28. Financial instruments (cont'd)

Category of financial instruments (cont'd)

	Group		Company	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
<i>Financial liabilities carried at amortised cost</i>				
Trade and other payables	19,929,628	26,899,914	706,795	431,588
Amount due to related parties	14,963,268	7,894,379	–	–
Amount due to subsidiaries	–	–	24,691,897	–
Loans and borrowings	221,876,425	199,888,782	221,876,425	199,888,782
	<u>256,769,321</u>	<u>234,683,075</u>	<u>247,275,117</u>	<u>200,320,370</u>

29. Capital management

The management's policy is to maintain a strong capital base so as to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group regards the equity attributable to shareholder as capital.

The Group maintains an optimum capital structure by various means such as deciding on the amount of dividends paid to shareholder, return of capital to shareholder as it deems beneficial to the interests of its shareholder.

There are no changes in the Group's approach to capital management during the financial year ended 31 December 2023.

The Group is not subject to any externally imposed capital requirements.

30. Capital commitment

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements for the Group are US\$25,720,934 (2022: US\$2,590,366).

31. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 7 June 2024.

Company Registration No. 202125191K

Powerdc Holdco Pte. Ltd. and its subsidiaries

Annual Financial Statements
31 December 2022



Powerdc Holdco Pte. Ltd. and its subsidiaries

Index

	Page
Directors' statement	1
Independent auditor's report	3
Consolidated statement of comprehensive income	6
Balance sheets	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	10
Notes to the financial statements	11

Powerdc Holdco Pte. Ltd. and its subsidiaries

Directors' statement

The directors are pleased to present their statement to the member together with the audited consolidated financial statements of Powerdc Holdco Pte. Ltd. (the Company) and its subsidiaries (collectively, the Group) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company as at 31 December 2022; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Wong Kee Wen	(Appointed on 4 May 2022)
Sharif Ali Metwalli	(Appointed on 22 June 2023)
Andrew Timothy Hobbs	(Appointed on 22 June 2023)

Arrangements to enable directors to acquire shares

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares

None of the directors, who held office at the end of the financial year, have, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries).

Powerdc Holdco Pte. Ltd. and its subsidiaries

Directors' statement

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of the options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

On behalf of the board of directors,



Sharif Ali Metwalli Director



Andrew Timothy Hobbs Director

Singapore
29 Aug 2023

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2022**

Independent auditor's report to the member of Powerdc Holdco Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Powerdc Holdco Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended 31 December 2022.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprise of the directors' statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Independent auditor's report For the financial year ended 31 December 2022

Independent auditor's report to the member of Powerdc Holdco Pte. Ltd.

Responsibilities of management and directors for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Independent auditor's report
For the financial year ended 31 December 2022**

Independent auditor's report to the member of Powerdc Holdco Pte. Ltd.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

29 August 2023

Powerdc Holdco Pte. Ltd. and its subsidiaries**Consolidated statement of comprehensive income
For the financial year ended 31 December 2022**

	Note	31 December 2022 US\$	19 July 2021 (date of incorporation) to 31 December 2021 US\$
Revenue	4	116,817,792	7,683,794
Expenses			
Professional and consultancy fee		(4,550,800)	(4,380,894)
Property operations and maintenance		(10,082,908)	(373,290)
Power expenses		(34,954,663)	(2,269,568)
Staff costs	5	(7,732,123)	(1,355,406)
Foreign exchange gain/(loss)		727,293	(135,054)
Depreciation of property, plant and equipment		(21,519,163)	(1,499,926)
Depreciation of right-of-use assets		(25,894,373)	(1,603,641)
Amortisation of intangible assets		(5,164,835)	(417,333)
Other operating expenses	6	(11,012,648)	(2,413)
Operating loss		(3,366,428)	(4,353,731)
Interest expenses	7	(15,704,475)	(1,207,303)
Finance fees		(1,515,604)	(6,813,884)
Interest income	8	83,630	–
Loss before tax		(20,502,877)	(12,374,918)
Income tax expenses	9	(321,072)	–
Loss for the year/period		(20,823,949)	(12,374,918)
Other comprehensive income			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation		(1,403,063)	94,542
Other comprehensive income for the year/period, net of tax		(1,403,063)	94,542
Total comprehensive income for the year/period attributable to owners of the Company		(22,227,012)	(12,280,376)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Balance sheets
As at 31 December 2022**

	Note	Group		Company	
		2022 US\$	2021 US\$	2022 US\$	2021 US\$
Non-current assets					
Investment in subsidiary	10	–	–	732,073,809	732,073,809
Property, plant and equipment	11	261,162,399	235,597,847	–	–
Right-of-use assets	21	196,977,891	108,201,825	–	–
Amount due from related parties	18	–	–	47,111,341	6,956,109
Intangible assets	12	493,248,660	498,426,222	–	–
		951,388,950	842,225,894	779,185,150	739,029,918
Current assets					
Trade receivables	13	29,409,920	15,382,198	–	–
Other assets	14	27,986,267	57,292,174	212,248	30,149,350
Cash and cash equivalents	15	89,372,805	40,633,183	43,986,977	12,227,307
		146,768,992	113,307,555	44,199,225	42,376,657
Total assets		1,098,157,942	955,533,449	823,384,375	781,406,575
Current liabilities					
Trade payables	16	20,484,652	6,218,880	50,612	469
Other liabilities	17	7,142,355	17,392,071	660,188	6,312,916
Lease liabilities	21	21,325,998	22,254,982	–	–
Loans and borrowing	22	9,938,760	–	9,938,760	–
Advance from related parties	18	7,894,379	–	–	–
		66,786,144	45,865,933	10,649,560	6,313,385
Net current assets		79,982,848	67,441,622	33,549,665	36,063,272
Non-current liabilities					
Provision for restoration cost	19	9,285,951	5,448,047	–	–
Lease liabilities	21	193,942,636	104,350,455	–	–
Loans and borrowing	22	189,950,022	162,645,600	189,950,022	162,645,600
Deferred tax liabilities	9	25,409,166	25,228,614	–	–
Advance from related parties	18	32,640,765	9,869,860	32,640,765	9,869,860
		451,228,540	307,542,576	222,590,787	172,515,460
Total liabilities		518,014,684	353,408,509	233,240,347	178,828,845
Net assets		580,143,258	602,124,940	590,144,028	602,577,730
Equity attributable to owners of the Company					
Share capital	20	614,405,316	614,405,316	614,405,316	614,405,316
Accumulated losses		(33,198,867)	(12,374,918)	(24,261,288)	(11,827,586)
Other reserves	23	(1,063,191)	94,542	–	–
Total equity		580,143,258	602,124,940	590,144,028	602,577,730
Total equity and liabilities		1,098,157,942	955,533,449	823,384,375	781,406,575

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Consolidated statement of changes in equity
For the financial year ended 31 December 2022**

Group	Note	Share capital US\$	Accumulated losses US\$	Foreign currency translation reserves (Note 23) US\$	Share base reserve (Note 23) US\$	Total other reserves US\$	Total US\$
At 19 July 2021 (date of incorporation)		1	–	–	–	–	1
Loss for the financial period		–	(12,374,918)	–	–	–	(12,374,918)
<u>Contributions by and distributions to owners</u>							
Shares issued	20	614,405,315	–	–	–	–	614,405,315
<u>Other comprehensive income</u>							
Foreign currency translation		–	–	94,542	–	94,542	94,542
At 31 December 2021 and at 1 January 2022		614,405,316	(12,374,918)	94,542	–	94,542	602,124,940
Loss for the financial year		–	(20,823,949)	–	–	–	(20,823,949)
<u>Contributions by and distributions to owners</u>							
Grant of equity-settled share units to employees		–	–	–	245,330	245,330	245,330
<u>Other comprehensive income</u>							
Foreign currency translation		–	–	(1,403,063)	–	(1,403,063)	(1,403,063)
At 31 December 2022		614,405,316	(33,198,867)	(1,308,521)	245,330	(1,063,191)	580,143,258

Powerdc Holdco Pte. Ltd. and its subsidiaries**Consolidated statement of changes in equity
For the financial year ended 31 December 2022**

	Note	Share capital US\$	Accumulated losses US\$	Total US\$
Company				
At 19 July 2021 (date of incorporation)		1	–	1
<u>Contributions by and distributions to owners</u>				
Shares issued	20	614,405,315	–	614,405,315
Loss for the financial period		–	(11,827,586)	(11,827,586)
At 31 December 2021 and at 1 January 2022		614,405,316	(11,827,586)	602,577,730
Loss for the financial year		–	(12,433,702)	(12,433,702)
At 31 December 2022		614,405,316	(24,261,288)	590,144,028

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Consolidated statement of cash flows
For the financial year ended 31 December 2022**

		31 December 2022	19 July 2021 (date of incorporation) to 31 December 2021
	Note	US\$	US\$
Operating activities			
Loss before tax		(20,502,877)	(12,374,918)
<u>Adjustments for:</u>			
Depreciation expense for property, plant and equipment	11	21,519,163	1,499,926
Depreciation expense for right-of-use assets	21	25,894,373	1,603,641
Amortisation of intangible assets	12	5,164,835	417,333
Interest income	8	(83,630)	–
Interest expense	7	15,704,475	1,207,303
Finance fees		1,515,604	6,813,884
Share-based payment expense	5	244,647	–
Operating cash flows before changes in working capital		49,456,590	(832,831)
<u>Changes in working capital:</u>			
Increase in trade receivables		(14,026,296)	(1,641,560)
Decrease/(increase) in other assets	14	29,305,907	(1,875,684)
Increase/(decrease) in trade payables	16	14,265,772	(710,607)
(Decrease)/increase in other liabilities		(10,493,038)	991,504
Increase in advances from related parties	18	30,665,285	9,869,860
Income taxes paid		(108,619)	–
Net cash flows generated from operating activities		99,065,601	5,800,682
Investing activities			
Purchase of plant and equipment	11	(47,701,228)	(99,042)
Net cash outflow on acquisition of a subsidiary	10	–	(732,493,565)
Net cash flows used in investing activities		(47,701,228)	(732,592,607)
Financing activities			
Interest received	8	83,630	–
Interest paid		(9,659,478)	(657,125)
Finance fees paid		(1,515,604)	(6,813,884)
Proceeds from loans and borrowings	22	37,270,350	162,645,600
Proceeds from share issuance	20	–	614,405,316
Payment of lease liabilities	21	(28,505,468)	(2,249,341)
Net cash flows (used in)/ generated from financing activities		(2,326,570)	767,330,566
Net increase in cash and cash equivalents		49,037,803	40,538,641
Cash and cash equivalents at beginning of year/period	15	40,633,183	–
Effect of exchange rate changes on cash and cash equivalents		(298,181)	94,542
Cash and cash equivalents at end of the year/period	15	89,372,805	40,633,183

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements For the financial year ended 31 December 2022

1. Corporate information

Powerdc Holdco Pte. Ltd. (the “Company”) is a private limited liability company, incorporated and domiciled in Singapore.

The registered office and principal place of business of the Company is located at 88 Market Street #43-01 Singapore 048948.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

The ultimate and immediate holding company is Vantage Data Centers APAC Holdings Pte. Ltd, a company incorporated in Singapore. Related companies refer to members of the ultimate holding company’s group of companies.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars (“US\$” or “USD”), except when otherwise indicated.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****2. Summary of significant accounting policies (cont'd)****2.3 Standards issued but not yet effective**

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
FRS117 Insurance Contracts	1 January 2023
Amendment to FRS 116 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 1 Presentation of Financial Statement: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Basis of consolidation and business combinations**(a) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.4 Basis of consolidation and business combinations (cont'd)****(a) Basis of consolidation (cont'd)**

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability, are recognised in profit or loss.

Non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.4 Basis of consolidation and business combinations (cont'd)****(b) Business combinations and goodwill (cont'd)**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Foreign currency

The financial statements are presented in United States Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at average exchange rate unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, profit or loss are translated using the exchange rates at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements For the financial year ended 31 December 2022

2. Summary of significant accounting policies (cont'd)

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building equipment	5 to 15 years
Computer and software	2 to 8 years
Furniture and fittings	5 to 10 years
Office equipment	2 to 16 years
Renovation	Over the unexpired term of lease

Construction in progress is not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.7 Intangible assets (cont'd)**

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Customer related intangible assets

The customer related intangible assets were acquired in a business combination and is amortised on a straight-line basis over its finite useful life of 9-19 years.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.10 Financial instruments****(a) Financial assets****Initial recognition and measurement**

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement**Investments in debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The Group only has debt instruments at amortised cost.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.10 Financial instruments (cont'd)****(b) Financial liabilities****Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.11 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

2.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.14 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur, except for transaction costs directly attributable to financial liabilities. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.15 Employee benefits**(a) Defined contribution plans**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

The subsidiary incorporated in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong SAR") is required to provide Mandatory Provident Fund retirement benefits scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees deemed eligible. Pension contributions are based on a percentage of the employees' basic salaries and are recognised as an expense in the period in which the related service is performed.

The subsidiary incorporated Malaysia makes contributions to the Employees Provident Fund, the national defined contribution plan. Contributions are recognised as an expense in the period in which the related service is performed.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.16 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessor

The Group enters into contracts with lease and non-lease components and accounts for each lease component within the contract as a lease separately from non-lease components of the contract i.e. sales of equipment and engineering support services.

The right to use an underlying asset is a separate lease component if both:

- (a) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee. Readily available resources are goods or services that are sold or leased separately (by the lessor or other suppliers) or resources that the lessee has already obtained (from the lessor or from other transactions or events); and
- (b) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

The transaction price is allocated between the lease and non-lease component based on the relative stand-alone selling price of the respective lease and non-lease component. If the stand-alone selling price is not directly observable, the Group estimates it by using the costs plus margin approach.

For the lease component in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is recognised on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Revenue recognition for non-lease component is in Note 2.17.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.16 Leases (cont'd)****As lessee (cont'd)****Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold buildings - over the unexpired term of the lease

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.17 Revenue**

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services (i.e.. based on the relative stand alone selling price).

The Group provides non-recurring engineering support services based on the customer's specifications which includes (but not limited to) procurement of equipment and project management services to set up the data hall and revenue is recognised by reference to each distinct performance obligation in the contract, i.e. when or as a performance obligation in the contract is satisfied. Revenue from procurement of equipment is recognised at a point in time while revenue from project management services are recognised over time.

Revenue from non-recurring engineering support services are recognised on a net basis, as the Company is arranging for the equipment and services to be provided by another party.

Contract balances - contract assets

Contract assets primarily relate to the Group's right to consideration for service completed but not yet billed at reporting date. Contract assets are transferred to receivables when the right becomes unconditional.

2.18 Taxes**(a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.18 Taxes (cont'd)****(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements For the financial year ended 31 December 2022

2. Summary of significant accounting policies (cont'd)

2.18 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.19 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.20 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.21 Employee share plans

The Group operates a share scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

2. Summary of significant accounting policies (cont'd)**2.21 Employee share plans (cont'd)**

The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the equity instruments at the date on which the equity instruments are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the share base reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in staff costs.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements in applying accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no significant judgement made in applying accounting policies.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, whichever is the higher of its fair value less costs of disposal and its value-in-use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of property, plant and equipment, right-of-use assets and intangible assets are disclosed in Note 11, 21 and 12 respectively to the financial statements.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022**

3. Significant accounting judgements and estimates (cont'd)**3.2 Key sources of estimation uncertainty (cont'd)****(b) Leases – Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(c) Useful lives of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' estimated economic useful lives which takes into consideration the common life expectancies applied in the industry and the likelihood of renewal of the building lease where the property, plant and equipment is built on. The estimated useful lives are updated if expectations differ from previous estimates and any change to the estimated useful lives will affect future depreciation charges. The directors have relied upon past experience and industry practices in exercising their judgement. The carrying amount of property, plant and equipment is disclosed in Note 11.

(d) Useful lives of right-of-use assets ("ROU assets")

The Group estimates the useful lives of the ROU assets based on the period over which the assets are expected to be available for use. The estimated useful lives of the ROU assets are reviewed periodically and are updated if expectations differ from previous estimates due to limitation on the use of the relevant assets. A reduction in the estimated useful lives of ROU assets would increase the recorded expenses and decrease the non-current assets if there are changes in estimates. The carrying amount of ROU assets are disclosed in Note 21.

(e) Provision for expected credit loss of trade receivables

The Group considers factors such as probability of insolvency or significant financial difficulties of the trade receivables and default or significant delay in payments in calculating expected credit loss. The amount and timing of future cash flows are then estimated based on historical credit loss experience for assets with similar credit risk characteristics and adjusted with forward-looking information such as forecast economic conditions. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information on expected credit loss of trade receivables is disclosed in Note 13.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements
For the financial year ended 31 December 2022

4. Revenue

(a) Disaggregation of revenue

	Group 31 December 2022 US\$	19 July 2021 (date of incorporation) to 31 December 2021 US\$
Business units		
VDC Powerbase Hong Kong Data Centers Limited	102,569,879	7,169,917
VDC Data Centers Malaysia Sdn Bhd	14,247,913	513,877
	116,817,792	7,683,794
Type of revenue		
Rendering of engineering support service under FRS 115	9,649,484	83,792
Lease income under FRS 116	107,168,308	7,600,002
	116,817,792	7,683,794
Timing of revenue recognition		
Services transferred over time	5,344,483	–
Service transferred at point in time	4,305,001	83,792
	9,649,484	83,792

(b) Lease income under FRS 116

The Group has entered into operating leases with customers for data-centre halls and office spaces with non-cancellable lease terms between 5 to 10 years. The leases include a clause for upward revision of the rental charge on an annual basis. Future minimum lease receivable from customers under non-cancellable operating lease are as follows:

	Group 31 December 2022 US\$	19 July 2021 (date of incorporation) to 31 December 2021 US\$
<u>Operating lease</u>		
Within 1 year	70,150,385	69,752,868
Later than 1 year but no later than 5 years	166,313,159	202,372,210
Later than 5 years	7,397,706	23,858,619
	243,861,250	295,983,697

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****4. Revenue (cont'd)****(c) Contract assets and contract liabilities**

Information about the contract assets and contract liabilities from contracts with customers are disclosed as follows:

	Group	
	2022	2021
	US\$	US\$
Contract assets (Note 14)	10,226,855	8,507,923
Contract liabilities (Note 17)	727,093	6,899,575

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relates to the Group's obligation to transfer goods and services to customers for which the Group receives in advance from customers. Contract liabilities are recognised as revenue as the Group performs its obligations under the contract.

Revenue recognised that was included in the contract liability balance at the beginning of the year amounted to \$6,899,575 (2021: \$Nil).

5. Staff costs (including directors)

	Group	
	31 December	19 July
	2022	2021 (date of
	US\$	incorporation) to
		31 December
		2021
		US\$
Wages and salaries	6,970,065	1,346,250
Share-based payment expense	244,647	–
Contribution to defined contribution plans	435,543	9,156
Recruitment expenses	78,910	–
Staff welfare expenses	2,958	–
	7,732,123	1,355,406

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****6. Other operating expenses**

	Group	
	31 December 2022	19 July 2021 (date of incorporation) to 31 December 2021
	US\$	US\$
General and administrative expenses	2,844,680	2,413
Management fees	8,083,257	–
Travelling and entertainment	84,711	–
	11,012,648	2,413
	11,012,648	2,413

7. Interest expenses

	Group	
	31 December 2022	19 July 2021 (date of incorporation) to 31 December 2021
	US\$	US\$
Interest on a bank loan (Note 22)	9,632,310	657,125
Interest on lease liabilities (Note 21)	5,838,157	550,178
Interest on provision for restoration cost (Note 19)	234,008	–
	15,704,475	1,207,303
	15,704,475	1,207,303

8. Interest income

	Group	
	31 December 2022	19 July 2021 (date of incorporation) to 31 December 2021
	US\$	US\$
Interest income from escrow account	59,199	–
Interest income on deposit	24,431	–
	83,630	–
	83,630	–

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****9. Income tax expenses****(a) Major components of income tax**

The major components of income tax expenses for the financial year/period ended 31 December 2022 and 2021 are:

	Group	
	31 December	19 July
	2022	2021 (date of
	US\$	incorporation) to
		31 December
		2021
		US\$
Current income tax		
- Current year	106,511	–
- Under provision in respect of prior year	2,108	–
Deferred income tax		
- Current year	751,858	–
- Overprovision in respect of prior year	(539,405)	–
Income tax expenses recognised in profit or loss	321,072	–

(b) Relationship between taxation and accounting loss

The reconciliation between the taxation and the accounting loss profit multiplied by the applicable corporate tax rate for the financial year/period ended 31 December 2022 and 2021, respectively, is as follows:

	31 December	19 July
	2022	2021 (date of
	US\$	incorporation) to
		31 December
		2021
		US\$
Loss before tax	(20,502,877)	(12,374,918)
Tax credit at the applicable tax rate of 17%	(3,485,489)	(2,103,736)
Effect on differential tax	650,360	9,674
Enhanced income tax deduction	–	(292,479)
Income not subjected to tax	(185,164)	–
Non-deductible expenses	3,214,877	1,032,135
Others	–	35,709
Over provision in respect of prior year	(537,297)	–
Deferred tax assets not recognised	663,785	1,318,697
Income tax expenses recognised in profit or loss	321,072	–

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****9. Income tax (cont'd)****(c) Deferred tax liabilities**

Deferred tax liabilities as at 31 December relate to the following:

	Balance sheet	Balance sheet	Group Statement of comprehensive income 31 December 2022 US\$	Statement of comprehensive income 19 July 2021 (date of incorporation) to 31 December 2021 US\$
	2022 US\$	2021 US\$		
Deferred tax liability:				
Differences in depreciation for tax purposes	15,455,884	14,548,668	(907,216)	–
Fair value adjustments on acquisition of subsidiary	9,953,282	10,679,946	694,763	–
	<u>25,409,166</u>	<u>25,228,614</u>	<u>(212,453)</u>	<u>–</u>

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability has been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries, as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****10. Investment in subsidiary**

	Company	
	2022	2021
	US\$	US\$
Unquoted shares, at cost	732,073,809	732,073,809

Composition of the Group

The Group has the following investments in subsidiaries as of 31 December 2022 and 2021:

Name of company (Country of Incorporation)	Principal activities (Place of business)	% of equity held by the Group	
		2022	2021
<i>Held by the Company:</i>			
Digital Treasure Holdings Limited (British Virgin Islands)	Investment Holdings (British Virgin Islands)	100	100
<i>Held through Digital Treasure Holdings Limited:</i>			
VDC Powerbase Hong Kong Data Centers Limited (Hong Kong)	Colocation services (Hong Kong)	100	100
VDC Data Centers Malaysia Sdn Bhd (Malaysia)	Colocation services (Malaysia)	100	100
<i>Held through VDC Powerbase Hong Kong Data Centers Limited:</i>			
VDC HKG51 Limited (Hong Kong)	Colocation services (Hong Kong)	100	–

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****10. Investment in subsidiary (cont'd)****Acquisition of subsidiary**

On 3 December 2021 (the "acquisition date"), Powerdc HoldCo Pte Ltd acquired 100% equity interest in Digital Treasure Holdings Limited.

The fair value of the identifiable assets and liabilities of Digital Treasure Holdings Limited as at the acquisition date were:

	Fair value recognised on acquisition US\$
Property, plant and equipment	236,998,731
Right-of-use assets	92,138,573
Trade receivables	13,740,638
Other assets	25,416,491
Cash and cash equivalents	24,385,851
Intangible assets	61,000,000
Total assets	453,680,284
Other liabilities	(10,778,254)
Trade payables	(6,931,542)
Lease liabilities (current)	(19,912,152)
Deferred tax liabilities	(25,656,536)
Lease liabilities (non-current)	(90,723,499)
Provision for restoration cost	(5,448,047)
Total liabilities	(159,450,030)
Total identifiable net assets at fair value	294,230,254
Total goodwill arising from acquisition	437,843,555
	732,073,809
<u>Consideration transferred for the acquisition</u>	
Cash paid	726,879,416
Consideration payable	5,194,393
Total consideration transferred	732,073,809
Cash paid to escrow account	30,000,000
	762,073,809
<u>Effect of acquisition on cashflow</u>	
Total consideration	762,073,809
Less: Consideration payable	(5,194,393)
Less: Cash and cash equivalents of subsidiary acquired	(24,385,851)
Net cash outflow on acquisition	732,493,565

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Notes to the Financial Statements
For the financial year ended 31 December 2022**

10. Investment in subsidiary (cont'd)

Acquisition of subsidiary (cont'd)

The amounts in the escrow account would only be released to the seller upon the novation of certain customer agreements from the seller to the Group. This amount has been recorded in 2021 as deposits in Note 14. During 2022, this amount has been released to the Company as the seller could not novate the customer agreements.

Goodwill arising from acquisition

The goodwill acquired has been allocated separately to VDC Hong Kong Data Centers Limited and VDC Data Centers Malaysia Sdn Bhd.

Impact of acquisition on profit and loss

During 2021, from the acquisition date, Digital Treasure Holdings Limited Group has contributed US\$7,683,794 of revenue and US\$290,091 to the Group's loss for the period. If the business combination has taken place at the beginning 2021, the revenue would have been US\$112,025,000 and the Group's profit, net of tax, would have been US\$238,246 for the year ended 2021.

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Notes to the Financial Statements
For the financial year ended 31 December 2022**

11. Property, plant and equipment

Group	Building equipment US\$	Computer and software US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Construction in progress US\$	Total US\$
Cost:							
At 19 July 2021 (date of incorporation)	–	–	–	–	–	–	–
Acquisition of a subsidiary (Note 10)	182,860,194	4,800,265	1,907,313	57	140,320	47,290,582	236,998,731
Additions	73,042	26,000	–	–	–	–	99,042
Reclassification	–	530,864	–	–	–	(530,864)	–
At 31 December 2021 and at 1 January 2022	182,933,236	5,357,129	1,907,313	57	140,320	46,759,718	237,097,773
Reclassification*	(45,561,132)	8,261,677	34,876,294	31,000,938	31,265	(28,609,042)	–
Additions	2,124,342	4,239,561	2,784,686	2,530,118	601,297	35,421,224	47,701,228
Exchange difference	(500,834)	(152,115)	(92,739)	(145,592)	(8,804)	(65,633)	(965,717)
At 31 December 2022	138,995,612	17,706,252	39,475,554	33,385,521	764,078	53,506,267	283,833,284

* During the financial year ended 31 December 2022, the Group has conducted an exercise to reclassify the assets to better reflect the underlying nature. The reclassification was corrected prospectively as the impact to the prior period is not material.

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements
For the financial year ended 31 December 2022

11. Property, plant and equipment (cont'd)

Group	Building Equipment US\$	Computer and software US\$	Furniture and fittings US\$	Office equipment US\$	Renovation US\$	Construction in progress US\$	Total US\$
Accumulated depreciation							
At 19 July 2021 (date of incorporation)	–	–	–	–	–	–	–
Depreciation charge	(1,255,108)	(204,161)	(39,653)	–	(1,004)	–	(1,499,926)
At 31 December 2021 and at 1 January 2022	(1,255,108)	(204,161)	(39,653)	–	(1,004)	–	(1,499,926)
Depreciation charge	(3,652,613)	(1,645,102)	(3,646,445)	(12,558,524)	(16,479)	–	(21,519,163)
Exchange difference	240,671	26,168	31,163	43,490	6,712	–	348,204
31 December 2022	(4,667,050)	(1,823,095)	(3,654,935)	(12,515,034)	(10,771)	–	(22,670,885)
Net carrying amount							
At 31 December 2021	181,678,128	5,152,968	1,867,660	57	139,316	46,759,718	235,597,847
At 31 December 2022	134,328,562	15,883,157	35,820,619	20,870,487	753,307	53,506,267	261,162,399

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****12. Intangible assets**

Group	Customer related intangible assets US\$	Goodwill US\$	Total US\$
Cost			
At 19 July 2021 (date of incorporation)	–	–	–
Acquisition of a subsidiary (Note 10)	61,000,000	437,843,555	498,843,555
At 31 December 2021 and at 1 January 2022	61,000,000	437,843,555	498,843,555
Exchange difference	(8,543)	–	(8,543)
At 31 December 2022	60,991,457	437,843,555	498,835,012
Accumulated amortisation			
At 19 July 2021 (date of incorporation)	–	–	–
Amortisation charge	417,333	–	417,333
At 31 December 2021 and at 1 January 2022	417,333	–	417,333
Amortisation charge	5,164,835	–	5,164,835
Exchange difference	4,184	–	4,184
At 31 December 2022	5,586,352	–	5,586,352
Net carrying amount			
At 31 December 2021	60,582,667	437,843,555	498,426,222
At 31 December 2022	55,405,105	437,843,555	493,248,660

Impairment testing of goodwill

Goodwill represents the excess of purchase consideration over the fair value of the net identifiable assets of Digital Treasure Holdings Limited, and have been allocated to two cash-generating units (CGU), for impairment testing, as follows:

	Group 2022 and 2021 US\$
VDC Powerbase Hong Kong Data Centers Limited	420,454,943
VDC Data Centers Malaysia Sdn Bhd	17,388,612
	<u>437,843,555</u>

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements For the financial year ended 31 December 2022

12. Intangible assets (cont'd)

VDC Powerbase Hong Kong Data Centers Limited

For the purpose of impairment testing, the recoverable amount of the CGU has been determined based on fair value less cost of disposal calculated using level 3 inputs for earnings multiple appropriate for the market the CGU operates. No impairment was recognised as the fair value less cost of disposal has exceeded the carrying value.

Key assumptions used in the fair value less cost to disposal calculation

The calculation of fair value less cost to disposal for the CGU is most sensitive to the following assumptions:

- (a) Earnings before interest, tax, depreciation and amortisation (EBITDA) multiple – EBITDA multiples are based on an average of actual transactions of comparable companies that have similar industry and operating characteristics. The EBITDA multiple applied to the forecasted EBITDA is 25.
- (b) Cost to disposal – Costs of disposal are incremental costs directly attributable to the disposal of the CGU. The cost of disposal as a percentage of the transaction price is arrived at based on average merger and acquisition transaction cost such as legal cost, stamp duties etc. for deals involving target companies of the same size and similar industry. The cost of disposal deducted is 2% of the estimated transaction price of the CGU.

VDC Data Centers Malaysia Sdn Bhd

For the purpose of impairment testing, the recoverable amounts of the CGU has been determined based on value in use calculations using cash flow projections from financial forecasts approved by management covering a six-year period. No impairment was recognised as the anticipated future cash flows on a discounted basis has exceeded the carrying value.

Key assumptions used in the value in use calculations

The calculation of value in use for the CGU is most sensitive to the following assumptions:

- (a) Pre-tax discount rate – Discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and derived from its WACC. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. The pre-tax and post-tax discount rate applied to the cash flow projection was 10.3% and 9.2 %, respectively.
- (b) Terminal growth rates used to extrapolate cash flows beyond the forecast period- Cash flow beyond the six-year period are extrapolated using a 2.5% growth rate, that is the same as the long term forecast of real gross domestic product and consumer price index in Malaysia.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****13. Trade receivables**

	Group	
	2022	2021
	US\$	US\$
Trade receivables	29,743,772	15,943,761
Less: Allowance for expected credit loss	(333,852)	(561,563)
	29,409,920	15,382,198
	29,409,920	15,382,198

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2022	2021
	US\$	US\$
At 1 January/ 19 July 2021 (date of corporation)	561,563	–
(Write back)/charge for the financial year/period	(226,284)	561,563
Exchange difference	(1,427)	–
	333,852	561,563
At 31 December	333,852	561,563

The Group continues to enhance and streamline its collection processes. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. At 31 December 2022, the Group has reviewed credit risk, assessed the collectability of trade receivables and has determined an appropriate level of provisioning for doubtful debt after taking into account ageing risk and credit risk of debtors. These receivables are not secured by any collateral or credit enhancements.

The Group provide for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates for the Group are determined based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****13. Trade receivables (cont'd)**

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix.

Group	Current US\$	Past due			More than 90 days US\$	Total US\$
		1 to 30 days US\$	31 to 60 days US\$	61 to 90 days US\$		
31 December 2022						
Gross carrying amount	257,109	6,386,492	4,565,100	14,810,324	3,724,747	29,743,772
Allowance for expected credit loss	–	113,333	89,898	69,024	61,597	333,852

Group	Current US\$	Past due			More than 90 days US\$	Total US\$
		1 to 30 days US\$	31 to 60 days US\$	61 to 90 days US\$		
31 December 2021						
Gross carrying amount	8,488,320	5,881,099	511,709	610,304	452,329	15,943,761
Allowance for expected credit loss	308,802	219,932	17,056	15,773	–	561,563

14. Other assets

	Group		Company	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
<i>Financial assets</i>				
Other receivables	1,908,729	3,141,938	79,851	–
Contract assets (Note 4)	10,226,855	8,507,923	–	–
Deposits*	14,455,422	42,925,002	–	30,000,000
	26,591,006	54,574,863	79,851	30,000,000
<i>Non-financial assets</i>				
Prepayments	1,395,261	2,717,311	132,397	149,350
Total other assets	27,986,267	57,292,174	212,248	30,149,350

* Included in the deposits is an amount of US \$Nil (2021:US\$ 30,000,000) in an escrow account arising from the acquisition of Digital Treasure Holdings Limited.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****15. Cash and cash equivalents**

	Group		Company	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
Cash at bank	89,372,805	40,633,183	43,986,977	12,227,307

Cash and cash equivalents comprise cash at bank and earns interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
SGD	37,748,677	52,570	402,330	52,570
HKD	402,329	2,661,973	13,395,748	2,661,973
MYR	8,229,224	14,002,874	–	–
CNY	732	799	–	–

16. Trade payables

	Group		Company	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
Trade payables	20,484,652	6,218,880	50,612	469

Trade payables are non-interest bearing and the average credit period is 45 to 60 days.

17. Other liabilities

	Group		Company	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
Contract liabilities (Note 4)	727,093	6,899,575	–	–
Accrual and other payables*	6,415,262	10,492,496	660,188	6,312,916
	7,142,355	17,392,071	660,188	6,312,916

* Included in the accruals and other payables is an amount of US\$ Nil (2021: US\$ 5,194,393) relates to deferred consideration payable for the acquisition of Digital Treasure (Note 10).

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****18. Advance from related parties / amount due from related parties****Advance from related parties**

	Group		Company	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Advances from immediate holding company	32,640,765	9,869,860	32,640,765	9,869,860
Amount due to related parties	7,894,379	–	–	–
	40,535,144	9,869,860	32,640,765	9,869,860

Advances from immediate holding company relates to capital injection that has yet to be converted to share capital. The balances with the immediate holding company are unsecured, interest free and repayable on demand. The immediate holding company agreed with the Company not to demand for repayment and will be treated as a quasi-equity capital contribution to the Company accordingly. Amount due to related parties are unsecured, non-interest bearing and repayable on demand.

Amount due from related parties

	Company	
	2022	2021
	US\$	US\$
Amount due from subsidiaries	47,111,341	6,956,109

The amount due from subsidiaries relates to capital injection that has yet to be converted to share capital. It is non-trade in nature, unsecured, non-interest bearing and is repayable on demand. The Company agreed with the subsidiaries to not demand for repayment and such balances will be treated as a quasi-equity capital contribution to the subsidiaries accordingly.

19. Provision for restoration cost

	Group	
	2022	2021
	US\$	US\$
Non-current		
At 1 January/ 19 July (date of incorporation)	5,448,047	–
Acquisition of a subsidiary (Note 10)	–	5,448,047
Additions	3,603,896	–
Accretion of interest (Note 7)	234,008	–
At 31 December	9,285,951	5,448,047

The Group recorded a provision related to the requirements at the end of its buildings lease term to restore the buildings back to its original condition. The associated cost was capitalised as an increase in the cost of buildings in rights of use assets and is depreciated over the remaining useful life of the lease term. The provision, both initially and subsequently, is measured based on the estimated expenditure required to settle the present obligation at the reporting date and reflects a current market-based discount rate of 3.0% - 4.1%. The Group expects to incur the liability at the end of the lease term.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****20. Share capital**

	Group and Company 2022	
	No. of shares	US\$
Issued and fully paid ordinary shares:		
At 1 January 2022 and 31 December 2022	614,405,316	614,405,316
	<hr/>	
	Group and Company 2021	
	No. of shares	US\$
Issued and fully paid ordinary shares:		
At 19 July 2021 (date of incorporation)	1	1
Shares issued	614,405,315	614,405,315
	<hr/>	
At 31 December 2021	614,405,316	614,405,316
	<hr/>	

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

21. Leases**Group as a lessee**

The Group has lease contracts for data centre spaces and office premises.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Group	
	2022 US\$	2021 US\$
As at 1 January/ 19 July 2021 (date of incorporation)	108,201,825	–
Acquisition of a subsidiary (Note 10)	–	92,138,573
Additions	115,252,858	17,666,893
Depreciation expense	(25,894,373)	(1,603,641)
Exchange difference	(582,419)	–
	<hr/>	
As at 31 December	196,977,891	108,201,825
	<hr/>	

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****21. Leases (cont'd)****Group as a lessee (cont'd)**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group	
	2022	2021
	US\$	US\$
Lease liabilities		
As at 19 July 2021 (date of incorporation)	126,605,437	–
Acquisition of a subsidiary (Note 10)	–	110,635,651
Additions	111,427,993	17,668,949
Accretion of interest (Note 7)	5,838,157	550,178
Payments	(28,505,468)	(2,249,341)
Exchange difference	(97,485)	–
	<u>215,268,634</u>	<u>126,605,437</u>
As at 31 December	215,268,634	126,605,437
	<u>21,325,998</u>	<u>22,254,982</u>
Current lease liabilities	21,325,998	22,254,982
Non-current lease liabilities	193,942,636	104,350,455
	<u>215,268,634</u>	<u>126,605,437</u>

The following are the amounts recognised in profit or loss:

	Group	
	2022	2021
	US\$	US\$
Depreciation expense of right-of-use asset	25,894,373	1,603,641
Interest expense on lease liabilities (Note 7)	5,838,157	550,178
	<u>31,732,530</u>	<u>2,153,819</u>
Total amount recognised in profit or loss	31,732,530	2,153,819

The Group had total cash outflows for leases of US\$28,505,468 (2021: US\$ 2,249,341).

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Notes to the Financial Statements
For the financial year ended 31 December 2022**

21. Leases (cont'd)

Group as a lessee (cont'd)

A reconciliation of liabilities arising from the Group's financing activities is as follows:

Group

	1 January 2022	Cash flows	Additions	Non-cash changes		31 December 2022
	US\$	US\$	US\$	Accretion of interest and exchange difference	Others	US\$
				US\$	US\$	US\$
Lease liabilities (Current)	22,254,982	(28,505,468)	736,031	5,740,672	21,099,781	21,325,998
Lease liabilities (Non-current)	104,350,455	–	110,691,962	–	(21,099,781)	193,942,636

	19 July 2021 (date of incorporation)	Cash flows	Additions	Non-cash changes		31 December 2021
	US\$	US\$	US\$	Accretion of interest and exchange difference	Others	US\$
				US\$	US\$	US\$
Lease liabilities (Current)	–	(2,249,341)	4,041,993	550,178	19,912,152	22,254,982
Lease liabilities (Non-current)	–	–	13,626,956	–	90,723,499	104,350,455

Other non-cash changes from the above table comprise of additions due to acquisition of subsidiary, accretion of interest and reclassification of non-current portion of lease liabilities.

22. Loans and borrowings

	Due date	Group and Company	
		2022	2021
		US\$	US\$
Current:			
Loan at HIBOR + 3.7% p.a.	June 2023 - December 2023	9,938,760	–
Non-current:			
Loan at HIBOR + 3.7% p.a.	December 2024	189,950,022	162,645,600
		199,888,782	162,645,600

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****22. Loans and borrowings (cont'd)**

This loan is repayable in four tranches. The first tranche is due 18 months after initial utilisation, the second and the third tranche is due every 6 months thereafter and the final tranche is due at the termination date. The termination date is extendable for two 12-month periods from the original termination date of December 2024.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	Cashflows					As at
	As at		Proceeds/	Accretion of	Others	31 December
	31 January	Interest paid	(repayment)	interest		2022
	2022					2022
	US\$	US\$	US\$	US\$	US\$	US\$
				(Note 7)		
Bank borrowings						
Non-current	162,645,600	(9,220,411)	37,270,350	9,193,243	(9,938,760)	189,950,022
Current	–	(439,067)	–	439,067	9,938,760	9,938,760
Total	162,645,600	(9,659,478)	37,270,350	9,632,310	–	199,888,782

	As at		Proceeds/	Accretion of	Others	As at
	19 July	Interest paid	(repayment)	interest		31 December
	2021(date of					2021
	incorporation					2021
)	US\$	US\$	US\$	US\$	US\$
	US\$			(Note 7)		
Bank borrowings						
Non-current	–	(657,125)	162,645,600	657,125	–	162,645,600

The Group's loans and borrowings are denominated in HKD.

23. Other reserve***Foreign currency translation reserve***

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****23. Other reserve (cont'd)***Share base reserve*

The long term incentive plan was administered via the issuance of management incentive units, which are also referred to as profits interest units. The units may be issued to eligible participants for the performance of services to or for the benefit of the Company. One class of unit (Class E) representing limited liability company interests in Skyline Associates, LP ("Skyline Associates"), is granted. Because the units are granted to employees of the Company in exchange for services provided to the Company, the Company recognizes expense associated with the units in its financial statements.

Unit holders are eligible to participate in the distributions to owners of Skyline JV, LP ("Skyline JV") based on defined criteria in the formation and operating agreement of the entity. If a unitholder's ceases employment with the Company, Skyline Associates or the Company has a right to repurchase any vested units at their current value, as determined using acceptable valuation techniques. Any unvested units are forfeited. If a unitholder's employment is terminated with cause, the legal and beneficial title to all units, including vested units, shall be automatically returned and cancelled without consideration.

The Class E units were initially granted on 31 January 2022. The units have service-based conditions and vest over a four-year period from each grant date, with 25% of each award vesting on the first, second, third and fourth anniversary dates of the grant date. The units also automatically vest upon a change in control of Skyline JV or the Company.

The following is a summary of Class E units granted to employees of the Company:

	Units	Weighted-average grant date fair value
Granted	11,185,923	US\$ 0.0725
Repurchased by Company	(2,143,644)	US\$ 0.0725
Forfeited	(6,430,932)	US\$ 0.0725
Unvested, end of year	2,611,347	US\$ 0.0725

The fair market value of the Class E units was estimated using the Black-Scholes valuation model and the Company used the following methods to determine its underlying assumptions: expected volatilities are based on the historical data of a group of public companies the Company believes represent a comparable peer group; the expected term of units is based on the estimated time to a liquidity event resulting in distributions to unit holders. and the risk-free interest rate is based on the U.S. Treasury bonds issued with similar life terms to the expected life of the grant.

The following key assumptions were used in the valuation model to value grants of Class E units as grant date:

- Expected volatility 28.2%
- Expected term 5 years
- Risk-free interest rate 1.6%
- Dividend yield 0%

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****24. Related party transactions****(a) Sale and purchase of goods and services**

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

	2022 US\$	2021 US\$
Management fees charged by fellow subsidiaries (Note 6)	8,083,257	–

(b) Compensation of key management personnel

	2022 US\$	2021 US\$
Short-term employee benefits	492,590	54,085
Post-employment benefits (including CPF)	39,899	–
Share-based payments	153,189	–
	685,678	54,085

25. Contingent liabilities*Bank guarantee*

The Company has obtained a revolving credit facility as at 31 December 2022 in the amount of HK\$274,385,451 from Deutsche Bank AG, Singapore Branch and ING Bank N.V., Singapore Branch. The purpose of this revolving credit facility is to back a counter guarantee in the amount of HKD274,385,450.43 (US\$ 35,039,000) issued by Deutsche Bank AG, Singapore Branch and ING Bank N.V., Singapore Branch to HSBC. This in turn provides support for a bank guarantee that HSBC has issued for the Company's subsidiary, VDC Powerbase Hong Kong Data Centers Limited, with respect to rental payment liabilities to a landlord.

Corporate guarantee

The Company has provided corporate guarantee on behalf of its subsidiary, VDC Powerbase Hong Kong Data Centers Limited for rents and all other charges with respect to two rental agreements with third parties.

Customer claims

During the year, the Company received a claim from one of its customers regarding certain damaged equipment and other losses incurred at its data centre premises due to a power outage. As of 31 December 2022, the case was still ongoing, and the Company has yet to reach an agreement with the customer regarding compensation. In the opinion of directors, it is impracticable to estimate the timing of settlement or the potential amount of compensation at this stage

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****26. Financial risk management objectives and policies**

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Foreign currency risk

The Group and Company have currency exposure mainly arising from its Hong Kong Dollar denominated loan. The Group and Company does not apply hedge accounting to hedge its foreign currency risk arising.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the HKD exchange rates against the functional currency of the Group entities, with all other variables held constant.

		Effect on loss before tax	
		2022	2021
		US\$	US\$
HKD/USD	- strengthened 5%	9,559,495	7,999,181
	- weakened 5%	(9,559,495)	(7,999,181)

(b) 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 instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises from its loans and borrowings.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if the interest rate at the date had been 100 basis point lower/higher with all other variables held constant, the Group's loss before tax would have been US\$1,626,456 lower/higher as a result of lower/higher interest expense.

Powerdc Holdco Pte. Ltd. and its subsidiaries

**Notes to the Financial Statements
For the financial year ended 31 December 2022**

26. Financial risk management objectives and policies (con'd)

(c) ***Credit risk***

The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

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. The Group has a large customer base which allows the risk to be spread over a large number of counterparties and not concentrated.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments or there is significant difficulty of the counterparty.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The quantitative and qualitative information about amounts arising from expected credit losses for trade receivables is disclosed in Note 13.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****26. Financial risk management objectives and policies (cont'd)****(d) Liquidity risk**

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	1 year or less US\$	1 year to 5 years US\$	Total US\$
2022			
Financial assets:			
Trade receivables	29,409,920	–	29,409,920
Other assets (excluding prepayments)	26,591,006	–	26,591,006
Cash and cash equivalents	89,372,805	–	89,372,805
Total undiscounted financial assets	145,373,731	–	145,373,731
Financial liabilities:			
Trade payables	20,484,652	–	20,484,652
Amount due to related parties	7,894,379	–	7,894,379
Other liabilities (excluding contract liabilities)	6,415,262	–	6,415,262
Lease liabilities	28,620,905	225,463,758	254,084,663
Loans and borrowings	11,524,729	220,261,123	231,785,852
Total undiscounted financial liabilities	74,939,927	445,724,881	520,664,808
Total net undiscounted financial assets/(liabilities)	70,433,804	(445,724,881)	(375,291,077)

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements
For the financial year ended 31 December 2022

26. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)**Analysis of financial instruments by remaining contractual maturities (cont'd)*

Group	1 year or less US\$	1 year to 5 years US\$	Total US\$
2021			
Financial assets:			
Trade receivables	15,382,198	–	15,382,198
Other assets (excluding prepayments)	54,574,863	–	54,574,863
Cash and cash equivalents	40,633,183	–	40,633,183
Total undiscounted financial assets	110,590,244	–	110,590,244
Financial liabilities:			
Trade payables	6,218,880	–	6,218,880
Other liabilities (excluding contract liabilities)	10,492,496	–	10,492,496
Lease liabilities	28,952,190	119,590,416	148,542,606
Loans and borrowings	–	180,919,265	180,919,265
Total undiscounted financial liabilities	45,663,566	300,509,681	346,173,247
Total net undiscounted financial assets/(liabilities)	64,926,678	(300,509,681)	(235,583,003)
Company	1 year or less US\$	1 year to 5 years US\$	Total US\$
2022			
Financial assets:			
Cash and cash equivalents	43,986,977	–	43,986,977
Other assets (excluding prepayments)	79,851	–	79,851
Total undiscounted financial assets	44,066,828	–	44,066,828
Financial liabilities:			
Trade payables	50,612	–	50,612
Other liabilities	660,188	–	660,188
Loans and borrowings	11,524,729	220,261,123	231,785,852
Total undiscounted financial liabilities	12,235,529	220,261,123	232,496,652
Total net undiscounted financial assets/(liabilities)	31,831,299	(220,261,123)	(188,429,824)

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****26. Financial risk management objectives and policies (cont'd)****(d) Liquidity risk (cont'd)**

Company	1 year or less US\$	1 year to 5 years US\$	Total US\$
2021			
Financial assets:			
Cash and cash equivalents	12,227,307	–	12,227,307
Other assets (excluding prepayments)	30,000,000	–	30,000,000
Total undiscounted financial assets	42,227,307	–	42,227,307
Financial liabilities:			
Trade payables	469	–	469
Other liabilities	6,312,916	–	6,312,916
Loans and borrowings	–	180,919,265	180,919,265
Total undiscounted financial liabilities	6,313,385	180,919,265	187,232,650
Total net undiscounted financial assets/(liabilities)	35,913,922	(180,919,265)	(145,005,343)

27. Fair values of assets and liabilities**(a) Fair value hierarchy**

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Powerdc Holdco Pte. Ltd. and its subsidiaries**Notes to the Financial Statements
For the financial year ended 31 December 2022****27. Fair values of assets and liabilities (cont'd)****(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The carrying amounts of trade and other receivables, other assets (excluding prepayments), cash and cash equivalents, trade payables, other liabilities (excluding contract liabilities) and amount due to related companies approximate their fair values due to the short-term nature of these balances.

Loan and borrowings are floating rate instruments that are re-priced to market interest rate on or near the balance sheet date.

28. Financial instruments**Category of financial instruments**

The carrying amount by category of financial assets and liabilities are as follows:

	Group		Company	
	2022 US\$	2021 US\$	2022 US\$	2021 US\$
Financial assets carried at amortised cost				
Trade receivables	29,409,920	15,382,198	–	–
Other assets (excluding prepayments)	26,591,006	54,574,863	79,851	30,000,000
Cash and cash equivalents	89,372,805	40,633,183	43,986,977	12,227,307
	145,373,731	110,590,244	44,066,828	42,227,307
Financial liabilities carried at amortised cost				
Trade payables	20,484,652	6,218,880	50,612	469
Amount due to related parties	7,894,379	–	–	–
Other liabilities (excluding contract liabilities)	6,415,262	10,492,496	660,188	6,312,916
Loans and borrowings	199,888,782	162,645,600	199,888,782	162,645,600
	234,683,075	179,356,976	200,599,582	168,958,985

Powerdc Holdco Pte. Ltd. and its subsidiaries

Notes to the Financial Statements For the financial year ended 31 December 2022

29. Capital management

The management's policy is to maintain a strong capital base so as to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group regards the equity attributable to shareholder as capital.

The Group maintains an optimum capital structure by various means such as deciding on the amount of dividends paid to shareholder, return of capital to shareholder as it deems beneficial to the interests of its shareholder.

There are no changes in the Group's approach to capital management during the financial year ended 31 December 2022.

The Group is not subject to any externally imposed capital requirements.

30. Capital commitment

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements for the Group are US\$2,590,366 (2021: US\$18,341,000).

31. Subsequent event

Conversion of loan receivables to share capital

Subsequent to the year end, a loan receivable balance from its subsidiary, Digital Treasure Holdings Limited, amounting to USD 39,967,038.23 was converted to share capital on 15 February 2023.

32. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 29 August 2023.

APPENDIX A: FORM OF CGIF GUARANTEE

GUARANTEE AGREEMENT

DATED _____ **2024**

**CREDIT GUARANTEE AND INVESTMENT FACILITY,
a trust fund of the Asian Development Bank**

and

**THE BANK OF NEW YORK MELLON, SINGAPORE BRANCH
as trustee for and on behalf of all Bondholders**

relating to

**[S\$100,000,000] in aggregate principal amount of [●] per cent. senior unsecured guaranteed bonds
due 2029,
issued by PowerDC Holdco Pte. Ltd.
as Issuer**

CONTENTS

Clause		Page
1.	Interpretation	1
2.	Guarantee	5
3.	Payment under this guarantee	8
4.	Subrogation and transfers	8
5.	Application of funds and recoveries	9
6.	Taxes	10
7.	Payments	11
8.	Amendments and waivers	11
9.	Assignment or transfer	12
10.	Termination	12
11.	Set-off	12
12.	Severability	12
13.	Counterparts	13
14.	Notices	13
15.	Contracts (Rights of Third Parties) Act 1999	15
16.	Governing law	15
17.	Dispute resolution	15
18.	ADB and CGIF immunities	17
 Schedule		
	Form of CGIF Certificate	18
	Signatories	1

THIS GUARANTEE (this **Agreement**) is dated _____ 2024 and is made **BETWEEN**:

- (1) **CREDIT GUARANTEE AND INVESTMENT FACILITY**, a trust fund of the Asian Development Bank with its principal office in Manila, the Philippines, as guarantor (**CGIF**); and
 - (2) **THE BANK OF NEW YORK MELLON, SINGAPORE BRANCH** in its capacity as the trustee for and on behalf of the Bondholders (as defined below) (in this capacity, the **Guaranteed Party**)
- (each a **Party** and collectively the **Parties**).

BACKGROUND:

- (A) At the request of the Issuer (as defined below), CGIF has agreed, subject to the terms and conditions of this Agreement, to issue a guarantee in favour of the Guaranteed Party in respect of the Bonds (as defined below).
- (B) It is intended that this Agreement takes effect as a deed notwithstanding the fact that a Party may only execute this Agreement under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

Additional Accrued Interest means the amount of interest in respect of any Bond for the Additional Accrual Period at the Bond Interest Rate.

Additional Accrual Period means, where CGIF is required to pay any Guaranteed Amounts in respect of principal due on the Bond Maturity Date, the period from (and including) the Bond Maturity Date to (but excluding) the earlier of (1) the Guarantor Payment Date, and (2) the date of the Non-Payment Event; or otherwise, on an acceleration of the redemption of the Bonds pursuant to Guaranteed Party Acceleration or CGIF Acceleration Event, the period from (and including) the immediately preceding Bond Interest Payment Date until the date of redemption upon such acceleration.

Agency Agreement has the meaning given to such term under the Bond Conditions.

Articles of Agreement means the articles of agreement of CGIF originally dated 11 May 2010 as amended on 27 November 2013, 31 May 2016, 23 May 2017, 31 May 2018, 16 May 2019, 1 August 2019 and 28 May 2024 (as may be further amended or supplemented from time to time).

Bond Certificates has the meaning given to the term **Certificate** under the Bond Conditions.

Bond Conditions has the meaning given to the term **Conditions** in the Trust Deed.

Bond Documents means (to the extent applicable) the Subscription Agreement, the Trust Deed (including the Bond Conditions), the Agency Agreement, the Offering Circular, the Single Submission Form and the Bond Certificates related to the issuance of the Bonds.

Bond Interest Payment Date has the meaning given to the term **Interest Payment Date** under the Bond Conditions.

Bond Interest Rate has the meaning given to the term **Rate of Interest** under the Bond Conditions.

Bond Maturity Date has the meaning given to the term **Maturity Date** under the Bond Conditions.

Bondholders has the meaning given to such term under the Bond Conditions.

Bonds means the [S\$100,000,000] in aggregate principal amount of [●] per cent. senior unsecured guaranteed bonds due 2029 to be issued by the Issuer.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in Manila of the Philippines, New York of the U.S.A., Singapore and Hong Kong.

CGIF Acceleration Event has the meaning given to the term **CGIF Acceleration Event** under the Bond Conditions.

CGIF Assets means all property and assets of CGIF held in trust in accordance with the Articles of Agreement of CGIF and available from time to time to meet the liabilities of CGIF. For the avoidance of doubt, a CGIF Asset does not include any assets of the Asian Development Bank or any other contributors to CGIF.

CGIF Certificate means the certificate to be issued by CGIF to the Guaranteed Party certifying it has received (or waived receipt of) the documents and evidence set out in Schedule 2 (*Conditions Precedent*) to the Indemnity Agreement in form and substance satisfactory to CGIF, substantially in the form set out in Schedule 1 (*Form of CGIF Certificate*).

CGIF Guarantee or **this Guarantee** means the guarantee provided by CGIF pursuant to, and subject to, the terms and conditions of this Agreement.

Condition means a condition of the Bond Conditions.

Guarantee Documents means this Agreement, the Indemnity Agreement, any Security Agreement, and any other document or agreement entered into between any of CGIF, the Obligors or the Guaranteed Party (as applicable) in connection with any of those documents.

Guarantee Term has the meaning given to it in Clause 2.2(b) (*Term of this Guarantee*).

Guaranteed Amount has the meaning given to it in Clause 2.1(b) (*Guarantee*).

Guarantor Default Interest Amount means any amount payable by CGIF pursuant to Clause 3.3 (*Guarantor Default Interest*).

Guarantor Default Rate means the Bond Interest Rate plus two per cent. (2%) per annum.

Guarantor Payment Date means the date of actual receipt by the Guaranteed Party in respect of a Guaranteed Amount.

Indemnity Agreement means the reimbursement and indemnity agreement dated on or about the date of this Agreement between CGIF, the Issuer and the other Obligors in connection with this Agreement.

Issue Date has the same meaning given to the term **Issue Date** under the Bond Conditions.

Issuer means PowerDC HoldCo Pte. Ltd., a company incorporated in Singapore.

Missed Payment Event means the non-payment (not taking into account any grace period) of any Guaranteed Amount by the Issuer in accordance with the Bond Conditions and the Trust Deed.

Non-Payment Event means the occurrence of an Event of Default (as defined under the Bond Conditions) thirty (30) calendar days after the occurrence of a Missed Payment Event in accordance with Condition 10(a)(i) (*Non-payment*) of the Bond Conditions.

Obligor means each of (i) the Issuer, (ii) Digital Treasure Holdings Limited Ltd. (iii) VDC Powerbase Hong Kong Data Centers Limited, (iv) VDC Data Centers Malaysia Sdn. Bhd..

Offering Circular means the offering circular issued to prospective investors in connection with the Bonds.

Paid Guaranteed Amount has the meaning given to it in Clause 4.1 (*Subrogation*).

Principal Amount means the outstanding principal amount in respect of the Bonds at any time.

S\$ means Singapore Dollars, the lawful currency of Singapore in general circulation from time to time.

Scheduled Interest means scheduled interest on the Bonds payable at the Bond Interest Rate on each Bond Interest Payment Date (excluding, for the avoidance of doubt, default interest).

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Agreement means any agreement granting Security in favour of CGIF to secure the obligations of the Obligors under the Indemnity Agreement.

Single Submission Form or **SSF** means the single submission form (being the Common Document for Submission to Regulatory, Listing, and Registration Authorities, and Market Institutions for the Issuance of Notes under the ASEAN+3 Multi-Currency Bond Issuance Framework) prepared by the Issuer in connection with the issue of the Bonds, as the same may have been amended or supplemented from time to time.

Subscription Agreement means the subscription agreement entered into between, among others, the Issuer, CGIF, ING Bank N.V., Singapore Branch and Oversea-Chinese Banking Corporation Limited dated ____ 2024 in relation to the issuance of the Bonds.

Subsidiary has the meaning given to such term under the Bond Conditions.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest).

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under this Agreement.

Trust Deed means the trust deed entered into between, among others, the Issuer, the Guaranteed Party and CGIF on or about the date of this Agreement in relation to the Bonds.

US\$ or **USD** means United States Dollars, the lawful currency of the United States of America in general circulation from time to time.

Trustee Expenses means the remuneration, costs, charges, expenses and interests and claims for reimbursement and indemnification due and payable to the Guaranteed Party in accordance with the Trust Deed and the remuneration, costs, charges, expenses and interests and claims for reimbursement and indemnification due and payable to the agents named in the Agency Agreement relating to the Bonds in accordance with such Agency Agreement.

1.2 Construction

- (a) In this Agreement, terms not defined herein have the meaning as set out in the Trust Deed and unless the contrary intention appears, a reference to:
- (i) an **amendment** includes a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (however fundamental and whether or not more onerous) and **amended** will be construed accordingly;
 - (ii) **assets** includes present and future properties, revenues and rights of every description;
 - (iii) a **Clause**, a **Subclause**, a **Paragraph** or a **Schedule** is a reference to a clause, subclause of, or paragraph of, or a schedule to, this Agreement;
 - (iv) a currency is a reference to the lawful currency for the time being of the relevant country;
 - (v) a **Bond Document**, a **Guarantee Document** or other document or Security includes (without prejudice to any prohibition on or consent required for any amendments) any amendment to that Bond Document, Guarantee Document or other document or Security;
 - (vi) **including** means including without limitation, and **includes** and **included** shall be construed accordingly;
 - (vii) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (viii) a **Party** or any other person includes its successors in title, permitted assigns and permitted transferees;
 - (ix) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (x) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (xi) a **successor** shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of its jurisdiction of establishment, incorporation or domicile has assumed the rights and obligations of such party under this Agreement or to which, under such laws, such rights and obligations have been transferred;
 - (xii) a time of day is a reference to Manila time, unless otherwise specified; and
 - (xiii) the **winding-up, dissolution** or **administration** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is established or incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution,

administration, arrangement, adjustment, protection or relief of debtors.

- (b) Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:
 - (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) The headings in this Agreement are provided for convenience only and do not affect the construction or interpretation of any provision of this Agreement.

2. GUARANTEE

2.1 Guarantee

- (a) Subject to the provisions of this Agreement, CGIF irrevocably and unconditionally guarantees to the Guaranteed Party the full and punctual payment of each Guaranteed Amount.
- (b) Subject to this Clause 2.1, in this Agreement, **Guaranteed Amount** means:
 - (i) any Principal Amount and any Scheduled Interest which is overdue and unpaid (whether in whole or in part) by the Issuer under the Bond Conditions and the Trust Deed;
 - (ii) any Additional Accrued Interest; and
 - (iii) any Trustee Expenses.

For the avoidance of doubt, a Guaranteed Amount does not include any increased costs, tax related indemnity (but for the avoidance of doubt includes any additional amounts required to be paid to the Bondholders due to a tax deduction and the operation of Condition 9 (*Taxation*) of the Bond Conditions, provided that the Guaranteed Amount will only include the original amount which would have been due from the Issuer if no tax deduction were required), default interest, fees, or any other amounts other than any Principal Amount, any Scheduled Interest, any Additional Accrued Interest and any Trustee Expenses payable by the Issuer to the Guaranteed Party or any Bondholders.

- (c) If the Bonds become payable on an accelerated basis:
 - (i) as a result of the Guaranteed Party declaring the Bonds payable on an accelerated basis, CGIF shall pay any Guaranteed Amounts in accordance with clause 3.3 (*Acceleration*) of the Trust Deed; and/or
 - (ii) as a result of CGIF exercising its rights pursuant to Condition 7(e) (*Redemption in the event of a CGIF Acceleration Event*) of the Bond Conditions,

CGIF shall pay any Guaranteed Amount in accordance with Clause 3.2 (*Payment of Guaranteed Amount*).

- (d) Notwithstanding any other provision of this Agreement, CGIF shall have no obligation to pay any amounts pursuant to this Agreement where the relevant amount of principal or accrued but unpaid interest became payable under the Bond Conditions:
- (i) on an accelerated basis at the instigation of the Issuer, including, without limitation, as a result of the Issuer's voluntary redemption of the Bonds (whether in full or in part) prior to the Bond Maturity Date; or
 - (ii) as a result of any purchase of the Bonds by the Issuer or any of its Subsidiaries pursuant to Condition 7(f) (*Purchase*) of the Bond Conditions and held by the Issuer or any such Subsidiary (as defined in the Bond Conditions).

2.2 Term of this Guarantee

- (a) The CGIF Guarantee shall be effective as of the first date on which both (i) the Issue Date has taken place and (ii) CGIF has issued the CGIF Certificate.
- (b) Subject to Clauses 2.8 (*Reinstatement*) and 10.2 (*Termination*), the CGIF Guarantee will expire on the earlier of:
- (i) the date on which all Guaranteed Amounts have been paid, repaid or prepaid in full, or the payment obligations of the Issuer in respect of all Guaranteed Amounts have been otherwise discharged or released pursuant to the Bond Documents or any other arrangement between the Issuer and the Guaranteed Party; and
 - (ii) the date of full redemption, prescription or cancellation of the Bonds
- (such period of effectiveness of the CGIF Guarantee being the **Guarantee Term**).

2.3 Continuing guarantee

The CGIF Guarantee is a continuing guarantee and will extend to the ultimate balance of all Guaranteed Amounts payable by the Issuer under the Bond Documents, regardless of any intermediate payment or discharge in whole or in part or where the payment of a Guaranteed Amount has been made but further Guaranteed Amounts are still due and payable or whether the Bonds are outstanding.

2.4 Guaranteed Amounts following amendments to the Bond Documents

If, without the prior written consent of CGIF, the Guaranteed Party concurs in any amendment, modification, variation, novation, waiver or termination of any term of a Bond Document, CGIF will irrevocably and unconditionally guarantee to the Guaranteed Party the Guaranteed Amount as per the terms of the Bond Documents and this Agreement in force as at the date of this Agreement or as amended in accordance with the prior written consent of CGIF from time to time.

2.5 Limited recourse

Notwithstanding any other provisions of this Agreement or any Bond Document, the recourse of the Guaranteed Party against CGIF under this Agreement and any Bond Document is limited solely to the CGIF Assets. The Guaranteed Party acknowledges and accepts that it only has recourse to the CGIF Assets and it has no recourse to any assets of Asian Development Bank or any other contributors to CGIF. Any obligation under this Agreement of CGIF shall not constitute an obligation of Asian Development Bank or any other contributors to CGIF.

2.6 No personal liability of Asian Development Bank or any other contributors to CGIF

Notwithstanding any other provisions of this Agreement or any Bond Document, neither the Asian Development Bank nor any other contributors to CGIF or the officers, employees or agents of the Asian Development Bank or any contributor to CGIF shall be subject to any personal liability whatsoever to any third party including the Guaranteed Party in connection with the operation of CGIF or under this Agreement, any Bond Document or any Guarantee Document. No action may be brought against Asian Development Bank as the trustee of CGIF or as contributor to CGIF or against any other contributors to CGIF or any of their respective officers, employees or agents by any third party including the Guaranteed Party in connection with this Agreement.

2.7 Waiver of defences

The obligations of CGIF under this Agreement will not be affected by and shall remain in force notwithstanding any act, omission, event or thing of any kind which, but for this provision, would reduce, release or prejudice any of its obligations under this Agreement. This includes, without limitation:

- (a) any time, waiver or any other concession or consent granted to, or composition with, any person;
- (b) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any person;
- (c) any failure to realise the full value of any Security;
- (d) any incapacity, or lack of power, authority or legal personality of any person;
- (e) any termination, amendment, modification, variation, novation, replacement, supplement or superseding of or to a Bond Document or any other document or Security relating thereto, but subject to Clause 2.4 (*Guaranteed Amounts following amendments to the Bond Documents*) and only if the prior written consent of CGIF has been obtained in accordance with Clause 8.1 (*No amendment to Bond Documents*) hereof if required;
- (f) any unenforceability, illegality or, invalidity of any obligation of any person under any Bond Document or any other document or Security relating thereto;
- (g) any insolvency or similar proceedings affecting CGIF or the Issuer;
- (h) any change in the taxation status of CGIF or the Issuer; or
- (i) the replacement of the Guaranteed Party as trustee for and on behalf of the Bondholders.

2.8 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Issuer and/or CGIF or Security (if any) for those obligations or otherwise) is made by the Guaranteed Party in whole or in part in respect of a Guaranteed Amount on the basis of any payment, Security (if any) or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, then the liability of CGIF under Clauses 2 (*Guarantee*) and 3 (*Payment under this Guarantee*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

2.9 Additional Security

This Agreement is in addition to and is not in any way prejudiced by any other Security (to the extent applicable, if any) in respect of the Issuer's obligations under the Bond Documents now or subsequently held by the Guaranteed Party (or any trustee or agent on its behalf).

2.10 Pari Passu Ranking

Without limiting any other provision contained in this Agreement or any other Bond Documents, CGIF's payment obligations under this Agreement are direct, unconditional and general obligations of CGIF and rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any).

3. PAYMENT UNDER THIS GUARANTEE

3.1 General

CGIF agrees that the Guaranteed Party is not required to proceed against, enforce any other rights or Security, or claim payment from any person before claiming from CGIF under this Agreement, irrespective of any law or any provision of any Bond Document to the contrary, provided that CGIF shall only be required to make payments to the Guaranteed Party in accordance with the terms of this Agreement and the Bond Conditions.

3.2 Payment of Guaranteed Amount

Subject to Clause 2.1 (*Guarantee*) of this Agreement, and Clauses 3.2 (*Missed Payment Event*) and 3.3 (*Acceleration*) of the Trust Deed, if a Missed Payment Event has occurred and is continuing, CGIF shall pay the Guaranteed Amount relating to the Missed Payment Event to the Guaranteed Party or to its order within thirty (30) calendar days of such Missed Payment Event, or in the case of a CGIF Acceleration Event, within thirty (30) calendar days from the date of the CGIF Acceleration Notice.

3.3 Guarantor Default Interest

- (a) Subject to paragraph (b) below, if CGIF fails to make a payment in accordance with Clause 3.2 (Payment of Guaranteed Amount), CGIF will pay interest on the overdue Guaranteed Amount (other than any Trustee Expenses) for the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the Guarantor Default Rate.
- (b) CGIF will pay interest on the overdue Trustee Expenses from the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the rate of the Trustee's cost of funds, provided that the Trustee furnishes evidence as to its cost of funds to the reasonable satisfaction of CGIF.

4. SUBROGATION AND TRANSFERS

4.1 Subrogation

- (a) Immediately upon the receipt by the Guaranteed Party under this Agreement of all or any part of the Guaranteed Amount in accordance with this Agreement (a **Paid Guaranteed Amount**), CGIF shall be subrogated to:
 - (i) all of the rights, powers and remedies of the Guaranteed Party, on behalf of the Bondholders, and of the Bondholders themselves, in respect of the Bonds and each Bond Document (in each case, to the extent relating and proportionate to that Paid

Guaranteed Amount), against any relevant person, including (and to the extent relating and proportionate to that Paid Guaranteed Amount) any rights or claims, whether accrued, contingent or otherwise; and

- (ii) all of the Guaranteed Party's privileges, rights and Security against the Issuer or with respect to the Bonds, in each case insofar as they extend to an amount equal to that Paid Guaranteed Amount.
- (b) The Guaranteed Party shall use its reasonable endeavours to, at the written request and expense of CGIF, execute such instruments or documents and take such other actions as CGIF may require to give effect to, facilitate or evidence the subrogation referred to in this Clause 4 and to perfect the rights of CGIF to receive such amounts equal to the Paid Guaranteed Amount under the Bond Documents.
- (c) For the avoidance of doubt, no Bondholder shall be obliged to transfer or assign any rights or any legal title in the Bonds, except to the extent that it has received payment of any amounts from CGIF in respect thereof.

4.2 Transfer

- (a) Upon the receipt by the Guaranteed Party of a Paid Guaranteed Amount, the Guaranteed Party shall, to the extent available to it, at the written request and the expense of CGIF and in consideration of such payment:
 - (i) transfer and assign, free from any Security, to CGIF all its rights:
 - (A) under the Bond Documents; and
 - (B) in respect of any Security securing the Bonds or any other amounts payable under the Bond Documents (including any right, title and interest to any asset which has arisen as a result of enforcement of such Security),insofar as those rights relate and are proportionate to that Paid Guaranteed Amount; and
 - (ii) execute such instruments or documents and take such other actions as necessary for CGIF to give effect to, facilitate or evidence the transfer and assignment referred to in this Clause 4 and to perfect the rights of CGIF to receive such amounts equal to the Paid Guaranteed Amount under the Bond Documents.
- (b) The Guaranteed Party shall not do anything that could lessen or impair any of the rights referred to in subparagraph (a)(i) above, CGIF's rights of subrogation or any other right of CGIF to recover any Paid Guaranteed Amount, unless the Guaranteed Party is acting in accordance with the terms of the Trust Deed.

5. APPLICATION OF FUNDS AND RECOVERIES

5.1 Application of funds

Following payment by CGIF of any Paid Guaranteed Amount or payment by CGIF under this Agreement of all or any part of the Guarantor Default Interest Amount pursuant to the terms of this Agreement, the Guaranteed Party must hold such amounts on trust for itself and the Bondholders on the terms set out in the Trust Deed and must (as soon as practicable after receipt) apply them in or towards payment of the Guaranteed Amount(s) relating to such Paid Guaranteed Amount in accordance with the terms of the Trust Deed.

5.2 Recoveries

- (a) After the occurrence of a Missed Payment Event, if the Guaranteed Party recovers any money or asset from the Issuer or any other person in respect of any Guaranteed Amount relating to that Missed Payment Event (a **Recovered Amount**), the Guaranteed Party must as soon as reasonably practicable (and in any case within ten (10) calendar days from the date of its receipt of such Recovered Amount) supply details of the recovery to CGIF and pay to CGIF (or any other person at the instruction of CGIF) an amount equal to such Recovered Amount.
- (b) Following payment by CGIF of any Paid Guaranteed Amount, if CGIF discovers that the Guaranteed Party had no right to receive a payment of the relevant Guaranteed Amount (or any portion thereof) to which such Paid Guaranteed Amount relates, CGIF shall be entitled, upon notice to the Guaranteed Party, to recover from the Guaranteed Party the relevant payment (or the relevant portion thereof) to the extent that the Guaranteed Party still holds such amounts itself or to its order (and provided only that it has the ability to direct the payment of the relevant amounts).
- (c) To the extent any part of a Guaranteed Amount has been recovered from any source (it being recognised that the Guaranteed Party is under no duty whatsoever to seek to recover from any such source), the Guaranteed Party may not seek to recover such amounts from CGIF under this Agreement.

6. TAXES

- 6.1 CGIF shall make all payments to be made by it under this Agreement without any Tax Deduction, unless a Tax Deduction is required by law. If a Tax Deduction is required by law to be made by CGIF, the amount of the payment due from CGIF under this Agreement shall be increased to an amount which (after making the relevant Tax Deduction) would result in the recipient receiving an amount equal to the payment which would have been due if no Tax Deduction had been required, except that no increased payment shall be payable by CGIF in respect of any Bond:
- (a) held by a Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of payments made by CGIF by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Bond; or
 - (b) where (in the case of a payment of principal or interest on redemption) the relevant Certificate is surrendered for payment more than thirty (30) days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such increased payment if it had surrendered the relevant Certificate on the last day of such period of thirty (30) days; or
 - (c) held by, or on behalf of, a Bondholder who would be eligible to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.
- 6.2 For these purposes **Relevant Date** means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.
- 6.3 If CGIF is aware that it must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Guaranteed Party.

- 6.4 If CGIF is required to make a Tax Deduction, it must make the minimum Tax Deduction allowed by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- 6.5 Nothing in this Clause 6 shall be considered to constitute a waiver of the privileges, immunities and exemptions applicable to CGIF pursuant to the Articles of Agreement.

7. PAYMENTS

7.1 Payment by CGIF and other Parties

- (a) A payment by CGIF of a Paid Guaranteed Amount or a payment by CGIF under this Agreement of all or any part of the Guarantor Default Interest Amount in accordance with this Agreement will discharge the payment obligations of CGIF under this Agreement to the extent of such payment, whether or not such payment is properly applied by or on behalf of the Guaranteed Party.
- (b) All payments to be made by a Party under this Agreement must be made on the due date for payment in immediately available funds to such account as the receiving Party may direct such account to be notified by the receiving Party to the other Party at least five (5) Business Days prior to the relevant due date for payment.

7.2 Currency

All payments to be made by a Party under this Agreement must be made in the currency in which the amounts are incurred in relation to costs, fees, expenses, liabilities and other indemnities.

7.3 Certificates and determinations

Any certification, determination or notification by a Party of a rate or amount made pursuant to the terms of this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

7.4 Business Days

If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is none).

8. AMENDMENTS AND WAIVERS

8.1 No amendment to Bond Documents

The Guaranteed Party shall not, without the prior written consent of CGIF, concur in any amendment, modification, variation, novation, waiver or termination of any term of a Bond Document to which it is a party unless in accordance with Condition 14(a) (*Meetings of Bondholders*) and Condition 14(b) (*Modification and waiver*) of the Bond Conditions.

For the avoidance of doubt, the consent of the Guarantor or the Bondholders shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee as contemplated in Condition 7(d)(ii) (*Benchmark Discontinuation and Replacement*).

8.2 Amendments

Any term of this Agreement may be amended or waived with the written agreement of the Parties and the Issuer.

8.3 Waivers and remedies cumulative

- (a) The rights and remedies of each Party under this Agreement:
 - (i) may be exercised as often as necessary;
 - (ii) are cumulative and not exclusive of its rights and remedies under the general law; and
 - (iii) may be waived only in writing and specifically.
- (b) No delay in exercising or non-exercise by a Party of any right or remedy under this Agreement shall operate as a waiver of that right or remedy, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy other than where any rights (including, without limitation, the right to require payment of any Guaranteed Amount) are to be exercised in accordance with specified requirements under this Agreement.

9. ASSIGNMENT OR TRANSFER

No Party may assign or transfer any of its rights and obligations under this Agreement without the prior consent of the other Party except that:

- (a) CGIF may (at no cost to the Guaranteed Party) assign or transfer any of its rights and benefits under this Agreement (including its right of subrogation) to any person without the prior written consent of the Guaranteed Party or any other person; and
- (b) the Guaranteed Party may assign or transfer any of its rights and obligations under this Guarantee to any replacement trustee duly appointed in accordance with the Trust Deed.

10. TERMINATION

- 10.1 Except in relation to Clause 2.5 (*Limited recourse*), Clause 2.6 (*No personal liability of Asian Development Bank or any other contributors to CGIF*), Clause 4 (*Subrogation and Transfers*), Clause 16 (*Governing Law*), Clause 17 (*Dispute Resolution*) and Clause 18 (*ADB and CGIF Immunities*), all rights and obligations of each Party will cease and expire on the last day of the Guarantee Term.
- 10.2 Termination or expiry of this Guarantee pursuant to the terms of this Agreement is without prejudice to the rights of any Party which have accrued prior to such termination or expiry, whether arising under this Agreement, at law or otherwise.

11. SET-OFF

No Party may set off any obligation owed to it by the other Party under this Agreement against any obligation owed by it to that other Party.

12. SEVERABILITY

If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, it shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.

13. COUNTERPARTS

This Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

14. NOTICES

14.1 In writing

- (a) Any communication in connection with this Agreement must be in writing, with a copy sent to the Issuer (for and on behalf of all of the Obligors), and, unless otherwise stated, may be given:
 - (i) in person, by post or fax; or
 - (ii) to the extent agreed by the Parties making and receiving communication, by email or other electronic communication.
- (b) For the purpose of this Agreement, an electronic communication will be treated as being in writing.
- (c) Unless it is agreed to the contrary, any consent or agreement required under this Agreement must be given in writing.

14.2 Contact details

- (a) The contact details of CGIF for all notices in connection with this Agreement are:
 - Address: Asian Development Bank Building,
6 ADB Avenue, Mandaluyong City,
1550 Metro Manila, Philippines
 - Fax number: +632-5322-7661
 - Email: powerdc.sgdhkd@cgif-abmi.org
 - Attention: CEO and Vice President, Operations
- (b) The contact details of the Guaranteed Party for all notices in connection with this Agreement are:
 - Address: The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192
 - Fax number: (+65) 6883 0338
 - Email: ctsgclientservice@bny.com
 - Attention: Global Corporate Trust – PowerDC Holdco Pte. Ltd.
- (c) The contact details of the Issuer and the other Obligors for all notices in connection with this Agreement are:

Issuer
Address: c/o 77 Robinson Road #34-01, Robinson 77, Singapore 068896
Fax number: N/A
E-mail: legal@vantage-dc.com
Attention: CFO, APAC

VDC Powerbase Hong Kong Data Centers Limited
Address: c/o 77 Robinson Road #34-01, Robinson 77, Singapore 068896
Fax number: N/A
E-mail: legal@vantage-dc.com
Attention: CFO, APAC

VDC Data Centers Malaysia Sdn. Bhd.
Address: c/o 77 Robinson Road #34-01, Robinson 77, Singapore 068896
Fax number: N/A
E-mail: legal@vantage-dc.com
Attention: CFO, APAC

Digital Treasure Holdings Limited
Address: c/o 77 Robinson Road #34-01, Robinson 77, Singapore 068896
Fax number: N/A
E-mail: legal@vantage-dc.com
Attention: CFO, APAC

- (d) Any Party may change its contact details by giving five (5) Business Days' notice to the other Party.
- (e) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

14.3 Effectiveness

- (a) Except as provided below, any communication in connection with this Agreement will be deemed to be given as follows:
 - (i) if delivered in person, at the time of delivery;
 - (ii) if posted, five (5) Business Days after being deposited in the post, postage prepaid, in a correctly addressed envelope;
 - (iii) if by fax, when received in legible form; and
 - (iv) if by e-mail or any other electronic communication, when received in legible form.
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- (c) A communication to CGIF will only be effective on actual receipt by it.

14.4 English Language

- (a) Any notice given in connection with this Agreement must be in English.

- (b) Any other document provided in connection with this Agreement must be:
 - (i) in English; or
 - (ii) in the language of the jurisdiction in which the Bonds are issued, accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other publicly available official document.

15. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

Unless expressly provided to the contrary in a Guarantee Document, a person who is not a party to a Guarantee Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any Guarantee Document, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of any Guarantee Document. Notwithstanding the foregoing, the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents may enforce Clauses 2.5 (*Limited recourse*), 2.6 (*No personal liability of Asian Development Bank or any other contributors to CGIF*), 17(j) (*Arbitration*) and 18 (*ADB and CGIF Immunities*) of this Agreement.

16. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by English law.

17. **DISPUTE RESOLUTION**

- (a) Any dispute, claim, difference or controversy arising out of, relating to, or having any connection with this Agreement (which includes this Clause 17) and any Guarantee Document other than this Agreement, including any dispute as to their existence, validity, interpretation, performance, breach or termination, or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (for the purpose of this Clause 17, a **Dispute**), shall be referred to and be finally resolved by arbitration administered by the Singapore International Arbitration Centre (**SIAC**) under the Arbitration Rules of the SIAC in force when the Notice of Arbitration is submitted (for the purpose of this Clause 17, the **Rules**), except as they are modified by the provisions of this Agreement.
- (b) The Parties further agree that following the commencement of arbitration, and following the exchange of the Notice of Arbitration and Response to the Notice of Arbitration, they will initially attempt in good faith to resolve the Dispute through mediation at the Singapore International Mediation Centre (**SIMC**), in accordance with the SIAC-SIMC Arb-Med-Arb Protocol (the **Protocol**) for the time being in force which shall last for a period not exceeding sixty-five (65) Business Days from the commencement of the mediation proceedings (the **Mediation Period**). Where a settlement has been reached between the Parties within the Mediation Period, such terms of settlement shall be referred to the arbitral tribunal and the arbitral tribunal may make a consent award on such agreed terms. In the absence of a settlement by the Parties within the Mediation Period, the Dispute shall revert back to arbitration pursuant to the Protocol. Unless otherwise agreed by the Parties, the arbitration shall resume by arbitrators who were not involved in the mediation process above.
- (c) The Rules and the Protocol are incorporated by reference into this Clause 17 and capitalised terms used in this Clause 17 (which are not otherwise defined in this Agreement or any Guarantee Document) shall have the meaning given to them in the Rules and the Protocol.

- (d) The number of arbitrators shall be three. All arbitrators shall be fluent in English. The claimant(s) shall jointly nominate one arbitrator. The respondent(s) shall jointly nominate one arbitrator. The arbitrators nominated by the parties in accordance with the Rules shall jointly nominate the third arbitrator who, subject to confirmation by the President of the Court of Arbitration of SIAC (the **President**), will act as president of the arbitral tribunal. If the third arbitrator is not chosen by the two arbitrators nominated by the parties within thirty (30) days of the date of appointment of the later of the two party-appointed arbitrators to be appointed, the third arbitrator shall be appointed by the President.
- (e) The seat of arbitration shall be Singapore and all hearings shall take place in Singapore unless the arbitral tribunal in its absolute discretion decides that a different location will be appropriate.
- (f) Except as modified by the provisions of this Clause 17, the Rules, and the Protocol, Part 2 of the International Arbitration Act 1994 of Singapore shall apply to any arbitration proceedings commenced under this Clause 17. Neither party shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant to the Dispute.
- (g) The language used in the arbitral proceedings shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation and in which case, the English translation shall prevail.
- (h) Service of any Notice of Arbitration made pursuant to this Clause 17 shall be made in accordance with the Rules and at the addresses given for the sending of notices under this Agreement at Clause 14 (*Notices*).
- (i) The arbitration award(s) rendered by the arbitral tribunal shall be final and binding on the parties. The parties undertake to reasonably carry out the award(s) without delay. To the fullest extent permitted under any applicable law, the parties irrevocably exclude and agree not to exercise any right to refer points of law or to appeal to any court or other judicial authority.
- (j) The arbitral tribunal and any emergency arbitrator appointed in accordance with the Rules shall not be authorized to order, and the Guaranteed Party agrees for itself and (in the case of the Trustee) on behalf of each Bondholder that it shall not seek from the arbitral tribunal or any judicial authority:
 - (i) any order of whatsoever nature against the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents; or
 - (ii) any interim order to sell, attach, freeze or otherwise enforce against the CGIF Assets.
- (k) In respect of any court proceedings in Singapore commenced under the International Arbitration Act 1994 of Singapore in relation to the arbitration, the parties agree (i) to commence such proceedings before the Singapore International Commercial Court (**SICC**) and (ii) in any event, that such proceedings shall be heard and adjudicated by the **SICC**.
- (l) The Rules shall not prohibit CGIF from disclosing any information relating to any arbitral proceedings and/or arbitral award arising out of this Clause 17 to the board of directors of CGIF (the **CGIF Board**) as part of its approval process and portfolio administration, or to the Asian Development Bank or any other contributors to CGIF or any of their respective officers, employees, advisers, agents or representatives. The members of the CGIF Board may seek instructions from their constituents for the purpose of CGIF Board approval and portfolio administration and the Board documents and other relevant information may be distributed to

any representatives of the relevant member countries of CGIF for the said purpose only, provided that such information and documents distributed by the CGIF Board insofar as they relate to any arbitral proceedings and/or arbitral award shall be clearly marked "CONFIDENTIAL".

18. ADB AND CGIF IMMUNITIES

Nothing in this Agreement, or any agreement, understanding or communication relating to this Agreement (whether before or after the date of this Agreement), shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the immunities, privileges or exemptions accorded to the Asian Development Bank under the Agreement Establishing the Asian Development Bank, any other international convention or any applicable law, or accorded to CGIF under the Articles of Agreement.

THIS AGREEMENT has been executed as a deed by the Parties hereto and is intended to be and is hereby delivered on the date first above written.

SCHEDULE 1

FORM OF CGIF CERTIFICATE

To: The Bank of New York Mellon, Singapore Branch in its capacity as the trustee for and on behalf of the holders of the Bonds (as defined below) (in this capacity the **Guaranteed Party**).

From: Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank (**CGIF**)

Copy: PowerDC Holdco Pte. Ltd. (the **Issuer**)

Date: _____

Dear Sirs,

PowerDC Holdco Pte. Ltd. (the Issuer) – Reimbursement and Indemnity Agreement dated _____ (the Indemnity Agreement) between the Issuer and CGIF in connection with the [S\$100,000,000] [•] per cent. bonds issued by the Issuer (the Bonds)

I refer to the Indemnity Agreement and the guarantee agreement dated _____ between CGIF and the Guaranteed Party (the **Guarantee Agreement**).

I am a duly authorised officer of CGIF. I am authorised to give this certificate and certify that CGIF has received (or waived receipt of) all of the documents and evidence set out in Schedule 2 (*Conditions Precedent*) to the Indemnity Agreement in form and substance satisfactory to CGIF.

This also serves as notification to the Guaranteed Party in accordance with Clause 2.2 (*Term of this Guarantee*) of the Guarantee Agreement that the guarantee pursuant to the Guarantee Agreement is in effect, subject to the issuance of the Bonds, and to the Issuer that CGIF has no objection to the issuance of the Bonds.

Unless we notify you to the contrary in writing, you may assume that this certificate remains true and correct.

This certificate, and any non-contractual obligations arising out of or in connection to it, should be governed by and construed in accordance with English law.

For

**CREDIT GUARANTEE AND INVESTMENT FACILITY,
a trust fund of the Asian Development Bank**

Name:
Title:

SIGNATORIES

CGIF

EXECUTED as a **DEED** by)
CREDIT GUARANTEE AND)
INVESTMENT FACILITY,)
a trust fund of the Asian Development Bank)
and **SIGNED** and **DELIVERED** as a **DEED**)
on its behalf by)

In the presence of:

Witness' signature:

.....

Witness' name:

.....

Witness' address:

.....

.....

.....

THE GUARANTEED PARTY

EXECUTED as a DEED by)
THE BANK OF NEW YORK MELLON,)
SINGAPORE BRANCH)
)
)
)

By: _____

Name:

Title:

ISSUER

PowerDC Holdco Pte. Ltd.
88 Market Street, #43-01
Singapore 048948

GUARANTOR

Credit Guarantee and Investment Facility
(a trust fund of the Asian Development Bank)
Asian Development Bank Building
6 ADB Avenue, Mandaluyong City
1550, Metro Manila
Philippines

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The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192

**CDP PAYING AGENT,
REGISTRAR AND TRANSFER AGENT**

The Bank of New York Mellon, Singapore Branch
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Singapore 039192

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