IMPORTANT NOTICE

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

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

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

The attached document has been made available to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of transmission and consequently none of Far East Orchard Limited or Oversea-Chinese Banking Corporation Limited, or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

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

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

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

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of Far East Orchard Limited in such jurisdiction.

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

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

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

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

FAR EAST ORCHARD LIMITED

(Incorporated in the Republic of Singapore on 28 December 1967)
(UEN/Company Registration No. 196700511H)

S$1,000,000,000
Multicurrency Medium Term Note Programme
(the "Programme")

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

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

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

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

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the listing and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Notes.

Potential investors should pay attention to the risk factors and considerations set out in the section "Investment Considerations".

Sole Arranger

OCBC Bank

TABLE OF CONTENTS

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NOTICE

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

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Notes. The Issuer confirms that this Information Memorandum contains all information which is material in the context of the Programme or the issue and offering of the Notes, that all the information in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are and will be based on all relevant considerations and facts existing at the date of this Information Memorandum and are and will be fairly, reasonably and honestly held by the Issuer, have been reached after considering all relevant circumstances and are based on reasonable assumptions, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Notes would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

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

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$1,000,000,000 (or its equivalent in any other currencies) or such increased amount in accordance with the terms of the Programme Agreement (as defined herein).

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

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

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

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

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

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, neither the Arranger nor any of the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

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

To the fullest extent permitted by law, neither the Arranger nor any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or unaudited financial statements of the Issuer and its subsidiaries and associated companies (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the respective specified office of the Principal Paying Agent (as defined herein) or, as the case may be, the Non-CDP Paying Agent (as defined herein).

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

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

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section “Subscription, Purchase and Distribution” on pages 104 to 105 of this Information Memorandum.

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

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

Prospective purchasers of any of the Notes are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership and disposal of the Notes.

FORWARD-LOOKING STATEMENTS

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

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

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section "Investment Considerations".

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

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

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

DEFINITIONS

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

“**Agency Agreement**”	:	The Agency Agreement dated 12 March 2015 between (1) the Issuer, as issuer, (2) the Principal Paying Agent, as principal paying agent, (3) the Non-CDP Paying Agent, as non-CDP paying agent, and (4) the Trustee, as trustee, as amended, varied or supplemented from time to time.
“**Arranger**”	:	Oversea-Chinese Banking Corporation Limited.
“**business day**”	:	In respect of each Note, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent’s or, as the case may be, the Non-CDP Paying Agent’s specified office and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
“**Calculation Agency Agreement**”	:	A calculation agency agreement between (1) the Issuer, as issuer, (2) the Trustee, as trustee and (3) the relevant calculation agent made pursuant to the Programme Agreement, substantially in the form of Appendix 6 to the Programme Agreement.
“**Calculation Agent**”	:	In relation to any Series of Notes, the person appointed as the calculation agent pursuant to the Calculation Agency Agreement as specified in the applicable Pricing Supplement (or such other calculation agent as may be appointed from time to time pursuant to the Agency Agreement).
“**CBD**”	:	Central Business District.
“**CDP**” or the “**Depository**”	:	The Central Depository (Pte) Limited.
“**Companies Act**”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.

"**Conditions**"	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part II of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons appertaining to an interest bearing Definitive Note.
"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Definitive Note**"	:	A definitive Note, in bearer form, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed and having, where appropriate, Coupons attached on issue.
"**Directors**"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
"**Euro**"	:	The lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"**Far East H-REIT**"	:	Far East Hospitality Real Estate Investment Trust.
"**Far East Organization**"	:	The Far East Organization group of companies.
"**FEHH**"	:	Far East Hospitality Holdings Pte. Ltd.
"**FEHMS**"	:	Far East Hospitality Management (S) Pte. Ltd.
"**FY**"	:	Financial year ended or ending 31 December.
"**Global Note**"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"**Gross Operating Profit**"	:	Gross operating revenue of a property less operating expenses.
"**Group**"	:	The Issuer and its subsidiaries.

"**Issuer**"	:	Far East Orchard Limited.
"**ITA**"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**Latest Practicable Date**"	:	27 February 2015.
"**MAS**"	:	The Monetary Authority of Singapore.
"**Non-CDP Paying Agent**"	:	Deutsche Bank AG, Hong Kong Branch.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The multicurrency medium term notes of the Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Notes and the Definitive Notes).
"**Paying Agents**"	:	The Principal Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Notes and Coupons.
"**Permanent Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in Schedule 3 to the Trust Deed.
"**Pricing Supplement**"	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 to the Programme Agreement.
"**Principal Paying Agent**"	:	Deutsche Bank AG, Singapore Branch.
"**Programme**"	:	The S$1,000,000,000 Multicurrency Medium Term Note Programme established by the Issuer pursuant to the Programme Agreement.
"**Programme Agreement**"	:	The Programme Agreement dated 12 March 2015 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) Oversea-Chinese Banking Corporation Limited, as dealer, as amended, varied or supplemented from time to time.
"**REIT Manager**"	:	The manager of Far East H-REIT, FEO Hospitality Asset Management Pte. Ltd.
"**SARS**"	:	Severe Acute Respiratory Syndrome.

"**Securities Act**"	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
"**Series**"	:	(1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital of the Issuer.
"**Singapore dollars**"	:	The lawful currency for the time being of Singapore.
"**SOHO**"	:	Small office/home office.
"**STC**"	:	The Straits Trading Company Limited.
"**subsidiary**"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"**TARGET System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed.
"**Toga**"	:	Toga Pty Ltd.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The Trust Deed dated 12 March 2015 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Trustee**"	:	DB International Trust (Singapore) Limited.
"**Trustee-Manager**"	:	The trustee-manager of Far East H-REIT, FEO Hospitality Trust Management Pte. Ltd.
"**United States**" or "**U.S.**"	:	United States of America.

"**YHS**"	:	Yeo Hiap Seng Limited.
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively.
"**sqm**"	:	Square metres.
"**US$**" or "**US Dollars**"	:	United States dollars.
"**%**"	:	Per cent.

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

CORPORATE INFORMATION

Issuer	:	Far East Orchard Limited
Board of Directors	:	Koh Boon Hwee Lui Chong Chee Kiong Kim Hock Arthur Ng Siok Keow Tan Siok Hwee Heng Chiang Meng Cheng Hong Kok Chua Kheng Yeng, Jennie Ee Choo Lin Diana
Company Secretaries	:	Chwee Chong Foon Madelyn Kwang Yeit Lam
Registered Office	:	1 Tanglin Road #05-01 Orchard Parade Hotel Singapore 247905
Independent Auditor of the Issuer	:	PricewaterhouseCoopers LLP 8 Cross Street #17-00 PWC Building Singapore 048424
Arranger and Dealer of the Programme	:	Oversea-Chinese Banking Corporation Limited 63 Chulia Street #03-05 OCBC Centre East Singapore 049514
Legal Advisers to the Arranger	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Trustee, the Principal Paying Agent and the Non-CDP Paying Agent	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
Trustee for the Noteholders	:	DB International Trust (Singapore) Limited One Raffles Quay #16-00 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

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

Issuer	:	Far East Orchard Limited.
Arranger	:	Oversea-Chinese Banking Corporation Limited.
Dealers	:	Oversea-Chinese Banking Corporation Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DB International Trust (Singapore) Limited.
Principal Paying Agent	:	Deustche Bank AG, Singapore Branch.
Non-CDP Paying Agent	:	Deustche Bank AG, Hong Kong Branch.
Description	:	S$1,000,000,000 Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time shall be S$1,000,000,000 (or its equivalent in other currencies) or such increased amount in accordance with the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Purpose	:	Please refer to the section “Purpose of the Programme and Use of Proceeds”.
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).

Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.

Form and Denomination of Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.
Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the Noteholders.
Redemption upon Cessation or Suspension of Trading of the Issuer's Shares	:	In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which the interest is due to be paid on such notes or, if earlier, the date falling 45 days after the Effective Date.

"**Effective Date**" means (in the case of (i) above) the date of cessation of trading or (in the case of (ii) above) the business day immediately following the expiry of such continuous period of 10 market days; and "**market day**" means a day on which the SGX-ST is open for securities trading.

Negative Pledge : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for:

(a) liens or rights of set-off arising solely by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (i) has been due for less than 14 days or (ii) is being contested in good faith and by appropriate means;

(b) any security existing as at the date of the Trust Deed over any of its assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed;

(c) any security over any of their respective assets acquired, developed, renovated or refurbished by it or such Principal Subsidiary, as the case may be, after the date of the Trust Deed for the sole purpose of financing or refinancing (including by way of project financing) the acquisition (including acquisition by way of the shares in the company or entity owning (whether directly or indirectly) such assets), development, renovation or refurbishment of such assets and securing a principal amount not exceeding the cost of that acquisition, development, renovation or refurbishment;

(d) any security created to secure its liabilities in respect of letters of credit, performance bonds and/or bank guarantees issued in the ordinary course of its business;

(e) any security existing at the time of the acquisition of any asset directly or indirectly (by way of share purchase or otherwise) acquired after the date of the Trust Deed securing credit facilities extended to the Group;

(f) any security to be created over any asset referred to in paragraphs (b) to (e) in connection with the extension, refinancing or increase in the facility limit of the credit facilities granted by the relevant lender(s) or the provision of new credit facilities by such lender(s), in each case, secured by such asset; and

(g) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

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

(a) the Consolidated Tangible Net Worth (as defined in the Trust Deed) shall not at any time be less than S$600,000,000; and

(b) the ratio of Consolidated Net Debt (as defined in the Trust Deed) to Consolidated Tangible Net Worth shall not at any time exceed 2.5:1.

Non-Disposal Undertaking : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 15.27 of the Trust Deed, is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on it. The following disposals shall not be taken into account under Clause 15.27 of the Trust Deed:

(a) disposals in the ordinary course of business on an arm's length basis and on normal commercial terms;

(b) any disposal or sale on normal commercial terms of assets which are obsolete, excess or no longer required for the purposes of its business;

(c) any payment of cash as consideration for the acquisition of any asset in the ordinary course of business on an arm's length basis and on normal commercial terms;

(d) in the case of a Principal Subsidiary only, any disposal of assets or shares for the purpose of, and followed by, a re-organisation, amalgamation, reconstruction, take-over, merger or consolidation, in each case, not involving insolvency and where such event is not likely to have a material adverse effect on (i) the financial condition, business or assets of the Issuer or on the consolidated financial condition, business or assets of the Group or (ii) on the Issuer's ability to perform or comply with any of its payment or other material obligations under any of the Issue Documents or the Notes;

(e) any disposal in connection with the transfer of any of the Group's assets to the Issuer or to a Principal Subsidiary or a subsidiary which will become a Principal Subsidiary immediately following such transfer, in each case, on normal commercial terms and on arm's length basis and which does not have a material adverse effect on the Issuer; and

(f) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

Events of Default	:	See Condition 9 of the Notes.
Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section "Singapore Taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in foreign currencies).
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section "Subscription, Purchase and Distribution" below. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

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

The Notes are constituted by a Trust Deed (as amended and supplemented from time to time, the "**Trust Deed**") dated 12 March 2015 made between (1) Far East Orchard Limited (the "**Issuer**") and (2) DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented from time to time, the "**Deed of Covenant**") dated 12 March 2015, relating to the Notes executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which include the form of the Notes and Coupons referred to below. The Issuer has entered into an Agency Agreement (as amended and supplemented from time to time, the "**Agency Agreement**") dated 12 March 2015 made between (1) the Issuer, (2) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**"), (3) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent, the "**Paying Agents**") and (4) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant. For the purposes of these Conditions, all references to the Principal Paying Agent shall, with respect to a Series of Notes to be cleared through a clearing system other than the CDP System (as defined in the Trust Deed), be deemed to be a reference to the Non-CDP Paying Agent and all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note (as defined in the Trust Deed) and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (1) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status

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

3. Negative Pledge, Financial and Non-Disposal Covenants

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for:

(i) liens or rights of set-off arising solely by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means;

(ii) any security existing as at the date of the Trust Deed over any of its assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed;

(iii) any security over any of their respective assets acquired, developed, renovated or refurbished by it or such Principal Subsidiary, as the case may be, after the date of the Trust Deed for the sole purpose of financing or refinancing (including by way of project financing) the acquisition (including acquisition by way of the shares in the company or entity owning (whether directly or indirectly) such assets), development, renovation or refurbishment of such assets and securing a principal amount not exceeding the cost of that acquisition, development, renovation or refurbishment;

(iv) any security created to secure its liabilities in respect of letters of credit, performance bonds and/or bank guarantees issued in the ordinary course of its business;

(v) any security existing at the time of the acquisition of any asset directly or indirectly (by way of share purchase or otherwise) acquired after the date of the Trust Deed securing credit facilities extended to the Group (as defined in the Trust Deed);

(vi) any security to be created over any asset referred to in paragraphs (ii) to (v) in connection with the extension, refinancing or increase in the facility limit of the credit facilities granted by the relevant lender(s) or the provision of new credit facilities by such lender(s), in each case, secured by such asset; and

(vii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

(b) Financial Covenants

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

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$600,000,000; and

(ii) the ratio of Consolidated Net Debt to Consolidated Tangible Net Worth shall not at any time exceed 2.5:1.

For the purposes of these Conditions:

(1) "**Consolidated Net Debt**" means Consolidated Total Debt less cash and cash equivalent balances;

(2) "**Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) the amount paid up or credited as paid up on the issued share capital of the Issuer;

(B) the amounts standing to the credit of the capital and revenue reserves (including capital redemption reserve fund, revaluation reserves and profit and loss account) of the Group on a consolidated basis; and

(C) any amount which is regarded by generally accepted accounting principles in Singapore as shareholders' funds or equity of the Group,

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

(aa) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraphs (A) and (B) respectively above of the Group since the date of the latest audited or, as the case may be, unaudited consolidated balance sheet of the Group;

(bb) excluding any sums set aside for future taxation; and

(cc) deducting:

(I) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited or, as the case may be, unaudited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(II) all goodwill and other intangible assets; and

(III) any debit balances on consolidated profit and loss account; and

(3) "**Consolidated Total Debt**" means an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (and where such aggregate amount falls to be calculated, no amount shall be taken into account more than once in the same calculation):

(A) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;

(B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(C) the liabilities of the Issuer under the Trust Deed or the Notes;

(D) all other indebtedness whatsoever of the Group for borrowed moneys; and

(E) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group.

(c) Non-Disposal Covenant

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 15.27 of the Trust Deed, is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on it. The following disposals shall not be taken into account under Clause 15.27 of the Trust Deed:

(i) disposals in the ordinary course of business on an arm's length basis and on normal commercial terms;

(ii) any disposal or sale on normal commercial terms of assets which are obsolete, excess or no longer required for the purposes of its business;

(iii) any payment of cash as consideration for the acquisition of any asset in the ordinary course of business on an arm's length basis and on normal commercial terms;

(iv) in the case of a Principal Subsidiary only, any disposal of assets or shares for the purpose of, and followed by, a re-organisation, amalgamation, reconstruction, take-over, merger or consolidation, in each case, not involving insolvency and where such event is not likely to have a material adverse effect on (1) the financial condition, business or assets of the Issuer or on the consolidated financial condition, business or assets of the Group or (2) on the Issuer's ability to perform or comply with any of its payment or other material obligations under any of the Issue Documents or the Notes;

(v) any disposal in connection with the transfer of any of the Group's assets to the Issuer or to a Principal Subsidiary or a subsidiary which will become a Principal Subsidiary immediately following such transfer, in each case, on normal commercial terms and on arm's length basis and which does not have a material adverse effect on the Issuer; and

(vi) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

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

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

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

(b) Calculations

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

For the purposes of these Conditions, "Fixed Rate Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

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

(a) Interest Payment Dates

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

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

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

(b) Rate of Interest – Floating Rate Notes

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

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

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

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

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

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;

(C) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and

(C) if on any Interest Determination Date the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

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

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

and as adjusted by the Spread (if any);

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

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

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

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

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

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Principal Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify or cause the Relevant Dealer to notify the Principal Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

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

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

(d) Definitions

As used in these Conditions:

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

"**business day**" means, in respect of each Note:

(i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating;

(ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent's and (in the case of Non-CDP Notes) the Non-CDP Paying Agent's specified office; and

(iii) if a payment is to be made on that day:

(1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;

(2) (in the case of Notes denominated in Euros) a day on which the TARGET System is open for settlement in Euros; and

(3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Agent**" means in relation to any Series of Notes, the person appointed as the calculation agent pursuant to the terms of the Calculation Agency Agreement as specified in the applicable Pricing Supplement;

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

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 4:

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

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

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

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

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

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

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

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

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

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

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

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

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

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

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

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

(b) Fixed Rate Period

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

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

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

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

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(i)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(i)).

(V) Calculations

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

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the outstanding principal amount of such Note, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

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

(d) Calculation Agent and Reference Banks

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

5. Redemption and Purchase

(a) Final Redemption

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

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

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

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Issuer

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

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

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

(e) Redemption at the Option of Noteholders

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

(f) Redemption for Taxation Reasons

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

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

In the event that (i) the shares of the Issuer cease to be traded on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 10 market days, the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which the interest is due to be paid on such notes or, if earlier, the date falling 45 days after the Effective Date.

The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this Condition 5(g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with an Exercise Notice in the form obtainable from the Principal Paying Agent or the Issuer (as applicable) not later than 21 days after the Effective Date. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

In this Condition 5(g), (1) "**Effective Date**" means (in the case of (i)) the date of cessation of trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of 10 market days, and (2) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Purchases

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

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to the Principal Paying Agent for cancellation or may at the option of the Issuer or relevant related corporation be held or resold.

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

(i) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the

Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

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

(j) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its related corporations may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Principal Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

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

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Paying Agents initially appointed by the Issuer and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents, provided that it will at all times maintain a Principal Paying Agent having a specified office in Singapore and (in the case of Notes which are not cleared through the Depository) a non-CDP Paying Agent.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Paying Agents and the Trustee, without the consent of any Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Paying Agents and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Paying Agents and the Trustee, adversely affect the interests of the Noteholders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

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

(e) Non-business days

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

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Principal Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such

Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

7. Taxation

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

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

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within five years from the appropriate Relevant Date for payment.

9. Events of Default

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

(a) the Issuer does not pay any sum in respect of principal payable by it under any of the Notes when due or the Issuer does not pay any sum in respect of interest or other amounts payable by it under any of the Notes and such default continues for a period of five business days after the due date;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if that default is capable of remedy, it is not remedied within 21 days of the Trustee giving written notice to the Issuer of the failure to perform or to comply and requiring the same to be remedied;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if the event or circumstance resulting in such non-compliance or incorrectness is capable of remedy, it is not remedied within 21 days of the Trustee giving written notice to the Issuer of such non-compliance or incorrect representation, warranty or statement and requiring the circumstances resulting in such non-compliance or incorrectness to be remedied;

(d) (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any event of default or the like (however described) or is not paid when due (taking into account any applicable grace period as originally set out in the agreement relating to that indebtedness) or, as a result of any event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or

(ii) the Issuer or any of its Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys (taking into account any applicable grace period as originally set out in the agreement relating to that indebtedness),

provided however that no Event of Default will occur under this paragraph (d)(i) or (d)(ii) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d)(i) and (d)(ii) has/have occurred equals or exceeds S$15,000,000 or its equivalent in other currency or currencies;

(e) the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its indebtedness, (by reason of actual or anticipated financial difficulty) begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or of a particular type of) its indebtedness (or of any material part which it will otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of a particular type of) the indebtedness of the Issuer or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over the whole or a material part of the property or assets of the Issuer or any of its Principal Subsidiaries becomes enforceable or any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);

(h) any application is made, meeting is convened, court order is made, resolution is passed or any other proceeding or procedure is taken for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries (except (i) (in the case of a voluntary liquidation or winding-up of a Principal Subsidiary only not involving insolvency) where such event is not likely to have a material adverse effect (as defined in the Trust Deed) on the Issuer or (ii) on terms approved by the Noteholders by way of an Extraordinary Resolution) or for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries;

(i) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business or (otherwise than as permitted by, and in accordance with, Clause 15.27 of the Trust Deed) disposes or threatens to dispose of the whole or any material part of its property or assets;

(j) any step is taken by any governmental authority or agency with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer or any of its Principal Subsidiaries;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 14.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature which are being contested in good faith and by appropriate proceedings) against the Issuer or any of its Principal Subsidiaries is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or is likely to have a material adverse effect on the Issuer;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and

(p) the Issuer or any of its Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

In these Conditions:

(1) "**Principal Subsidiary**" means any subsidiary of the Issuer:

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

(B) whose profit before tax, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated financial statements of the Group have been prepared, are at least 10 per cent. of the profit before tax of the Group as shown by such audited consolidated financial statements,

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

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

(bb) if any part of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

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

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

10. Enforcement of Rights

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

11. Meeting of Noteholders and Modifications

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

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

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

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

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

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws at the specified office of the Principal Paying Agent, or at the specified office of such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

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

14. Indemnification of the Trustee

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

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

15. Notices

Notices to the holders will be valid if published in a leading newspaper in the English language of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

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

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

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

16. Contracts (Rights of Third Parties) Act

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

17. Governing Law and Jurisdiction

(a) Governing Law

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

(b) Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

INVESTMENT CONSIDERATIONS

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

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

Limitations of this Information Memorandum

Certain financial information of the Group has not been audited or reviewed by the Group's auditors

The unaudited consolidated financial information of the Group for the financial year ended 31 December 2014 presented and/or included in this Information Memorandum has been extracted from the announcement released by the Issuer on 27 February 2015 of the unaudited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 31 December 2014.

The unaudited consolidated financial information of the Group for the financial year ended 31 December 2014 presented and/or included in this Information Memorandum has not been audited or reviewed by the Group's auditors. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial information, that information presented therein would not have been materially different, and potential investors must exercise caution when using such data to evaluate the Group's financial position and results of operations.

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

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

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries and/or its associated companies (if any), the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

RISKS RELATING TO NOTES

Limited Liquidity of the Notes issued under the Programme

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

Liquidity may have a severely adverse effect on the market value of the Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

Fluctuation of the Market Value of the Notes

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

Interest Rate Risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, bond prices may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

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

Inflation Risk

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

Singapore Taxation Risk

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

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

The Notes may not be a suitable investment for all investors

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Paying Agents and/or the Agent Bank 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 Notes, the Issuer may not, in such circumstance, be able to fulfill its obligations to the Noteholders and the Couponholders.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System (as defined below)

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with the Common Depositary or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. The relevant Clearing System will maintain records of their accountholders in relation to the Global Notes. While the Notes are represented by one or more Global Note, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the Common Depositary or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the relevant Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System to receive payments under the relevant Notes. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

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

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

In certain circumstances (pursuant to Condition 9), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such action directly.

The Notes may be subject to optional redemption by the Issuer

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

The Notes may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

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

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

Provisions in the Trust Deed and the Conditions of the Notes may be modified

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

The Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to (i) any modification of any of the provisions of the Trust Deed which is in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

Variable Rate Notes may have a multiplier or other leverage factor

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

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

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

Further, the ability of the Issuer to make scheduled principal or interest payments on its indebtedness, including the Notes, and to fund its growth aspirations, will depend on the Group's future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this section "Investment Considerations", many of which are beyond the control of the Issuer. If the Issuer's future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Notes, or to fund its other liquidity needs, it may be forced to sell assets, attempt to restructure or refinance its existing indebtedness. No assurance can be given that the Issuer would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity

Notes issued under the Programme will be new Notes which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar Notes, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at their fair market value or at all.

Although an application has been made for the Notes issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of notes similar to the Notes to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

RISKS RELATING TO THE GROUP'S PROPERTY DEVELOPMENT BUSINESS

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

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

- weakness in the local and regional economies;
- competition from other property developers;
- surge in supply of properties for sale;
- adverse government regulation;
- absence of financing for purchase of properties; and/or
- higher interest rates.

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

The Group is subject to governmental regulations and approvals in Singapore where it principally operates

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

The Singapore government is a major supplier of land in Singapore to private developers and it regulates the supply of land from time to time through policy adjustments or new regulatory measures to manage the demand and supply of property in order to maintain an orderly and stable property market. Regulation of land supply through availability of sites for tender under the Singapore government's land sales programme, which is reviewed on a half yearly basis, and changes in en bloc legislation may affect land supply and pricing. In addition, changes to the Master Plan guidelines relating to zoning and micro-planning restrictions on land use, and changes in laws relating to sustainable development, environmental controls, building codes, stamp duty, property tax, income tax and capital gains tax could adversely affect the profitability of the Group. There can be no assurance that the Singapore government will not introduce or amend legislation or policies in the future that would adversely affect the Singapore property market. Any action by the Singapore government concerning the economy or the real estate sector (including measures to curb property speculation and/or to restrict foreign investment in real estate) could materially and adversely affect the Group's business, financial condition and results of operations.

In addition, in order to develop and complete a property development project, a property developer must in general obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including land use rights certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions. Problems may be encountered in obtaining such government approvals or in fulfilling the conditions required for obtaining the approvals especially as new laws, regulations or policies may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of approvals. There is no assurance that the Group will be able to obtain the requisite governmental approvals or fulfil the conditions required for obtaining the approvals or adapt to new laws, regulations or policies that may come into effect. There can also be no such assurance that governments of the countries where the Group operates in will not adopt restrictive policies and impose onerous or unfavourable conditions with respect to the issuance of certain licences, permits or approval. If the Group is unable to obtain the relevant approvals or fulfil the conditions of such approvals for a significant number of its property development projects, these development projects may not proceed on schedule or at all and the Group's business, financial condition and results of operations may thereby be adversely affected.

The Group is affected by government measures to cool the property market in Singapore

Historically, the Singapore government has sought to regulate or reduce property speculation through measures such as the adoption and enforcement of regulations and the imposition of credit controls, taxes and fees. Such measures include the Income Tax (Amendment) Act 1996 which imposes income tax on gains from the disposal of any real property (and on the sale of shares in a relevant property company) within three years from the date of its acquisition by any person although that person is not otherwise carrying on a trade of buying and selling properties. This measure has been suspended with effect from 13 October 2001. In May 1996, the Singapore government imposed additional stamp duty payable by a vendor in order to curb speculation and the spiraling property prices. This legislation was suspended in November 1997 and released in 2005. The seller's stamp duty ("**SSD**") was reintroduced from February 2010 and is imposed on all residential properties and residential lands transferred and disposed within one year of acquisition at the same rate as buyer's stamp duty. On 30 August 2010, the Singapore government further announced that SSD would be payable on residential properties which are acquired (or purchased) on or after 30 August 2010 and disposed of (or sold) within three years of acquisition at the same rate as buyer's stamp duty but progressively decreasing depending on the holding period. On 13 January 2011, the Singapore government announced the extension of the holding period for imposition of SSD on residential properties from three years to four years based on new rates. The new SSD rates, ranging from 4% to 16%, will be imposed on residential properties which are acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within four years of acquisition. In December 2011, the Singapore government introduced the additional buyer's stamp duty ("**ABSD**"), which was further enhanced in January 2013. ABSD ranging from 5% to 15% is to be paid by certain groups of people who buy or acquire residential properties (including residential land). The imposition of ABSD appears to have a moderating effect on the rate of increase of the sale price for new residential property launches in the months immediately following its introduction. However, its full long-term impact on the residential property market remains to be seen.

Furthermore, in June 2013, the MAS introduced a new Total Debt Servicing Ratio ("**TDSR**") framework for all property loans granted by financial institutions to individuals. The new TDSR framework requires financial institutions to take into consideration borrowers' other outstanding debt obligations when granting property loans. The TDSR is the percentage of total monthly debt obligations to gross monthly income. The MAS expects any property loan extended by financial institutions to not exceed a TDSR threshold of 60% and will regard any property loan in excess of a 60% TDSR to be imprudent. The MAS has further stated that it will review the 60% threshold over time, with a view to further encouraging financial prudence. The MAS has also stated that the Loan-to-Value ("**LTV**") limits on housing loans, which were last tightened in January 2013, are not permanent and will be reviewed depending on the state of the property market. The introduction of the TDSR framework and any future reduction in the acceptable TDSR threshold or allowable LTV limits may have an adverse effect on the Singapore residential property market.

The Singapore government may introduce further legislation or policies or amend existing legislation or policies to moderate the Singapore residential property market or to encourage financial prudence. Such measures may have an adverse effect on the Singapore residential property market and consequently on the residential sales volumes and prices with respect to the Group's development projects in Singapore.

Higher interest rates may adversely impact the demand for the Group's residential properties

An increase in interest rates in Singapore and/or any of the countries in which the Group operates may negatively impact the demand for the Group's residential units. For example, changes in monetary policies by central banks can have a negative impact on the real estate sector, particularly where such changes result in a rise in long term interest rates. Higher interest rates may impact demand for the Group's residential units by making it more expensive and difficult for potential purchasers to secure financing, which can lead to a decrease in the demand for residential units.

The Group is subject to the risk of expropriation of its properties in the countries where it operates

The laws of the relevant countries in which the Group's properties are currently located and regions into which the Group may, in the future, expand to, may allow their respective governments to compulsorily acquire land and buildings under certain circumstances such as if it is in the public interest to do so, or where compensation may be less than the value of the relevant property or building.

In the event that all or any part of the Group's land or property is compulsorily acquired, the compensation paid in respect of the acquired property could be less than its market value or the price it has paid for acquiring the property, which could adversely affect its business, financial condition, results of operations and prospects.

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

- for any public purpose;

- where the acquisition is required by any person, corporation or statutory board, for any work or undertaking which is of public benefit or of public utility or in the public interest; or

- for any residential, commercial or industrial purpose.

In determining the amount of the compensation to be awarded pursuant to any such compulsory acquisition, the following matters, *inter alia*, would be considered: (i) the market value of the property as at the date of the publication in the Singapore Government Gazette of the notification of likely acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of intention to acquire is made by publication in the Singapore Government Gazette) or (ii) the market value of the property as at the date of publication in the Singapore Government Gazette of the declaration of intention to acquire in any other case.

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

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

The Group competes with other property developers for the sourcing of land sites and is subject to the availability of suitable land sites. There is no assurance that the Group will be able to identify and acquire attractive sites in the future at commercially acceptable prices, if at all. The Group's ability to acquire land sites and their corresponding acquisition costs may also be affected by government policies toward land supply, development and pricing. In the event that the Group is unable to identify and/or acquire attractive new sites at commercially acceptable prices, this could impair the Group's ability to compete with other property developers and have an adverse effect on the Group's property development business, including its ability to grow its property development business. In addition, the failure to identify potential and profitable new property projects would have an adverse effect on the Group's revenue and profitability, which may in turn have a material and adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to revenue and profit volatility

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

Further, in compliance with the FRS, the Group's accounting policy recognises revenue from the sales of its standard residential development properties, i.e., those that are not under deferred payment scheme or regulations of the Housing Development Board, and mixed development properties (if any) in Singapore using the percentage of completion ("**POC**") method; and the sales of commercial development properties in Singapore and all development properties outside Singapore using the completion method. Under the POC method, revenue is recognised by reference to the stage of completion as certified by the independent architects or quantity surveyors for the individual units sold, whereas under the completion method, revenue is recognised where transfer of significant risks and rewards of ownership of the development properties coincides with the time when the property is completed. The Group has no intention of changing its accounting policy in the immediate future. However, in the event that the relevant FRS are amended and the Group is required to change its accounting policy in relation to revenue recognition from the POC method to completion method or vice versa, the Group's revenue on a year-to-year basis will be more volatile as a result of different numbers of completed projects in different financial years.

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

The Group faces risks relating to pre-sale of properties. For example, the Group may fail to complete a fully or partially pre-sold property development, in which case, the Group may be liable for potential losses that buyers may suffer as a result. There can be no assurance that these losses would not exceed the purchase price paid in respect of the pre-sold units. In addition, if a pre-sold property development is not completed on time, the buyers of pre-sold units may be entitled to compensation for late delivery. Failure to complete a property development on time may be attributed to factors such as the time taken and the costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approval from government agencies or authorities, shortages of materials, equipment, labour and unforeseen engineering, environmental or geological problems, adverse weather conditions, natural disasters, litigation, work stoppages and labour disputes with contractors and subcontractors, accidents, changes in government policies, and other unforeseen problems or circumstances. If the delay extends beyond the contractually specified period, these buyers may even be entitled to terminate the pre-sale agreements and claim damages. There is no assurance that the Group will not experience any significant delays in completion or delivery or that the Group will not be subject to any liabilities for any such delays.

There is also a risk that due to conditions in the financial markets or difficult economic conditions, purchasers of such pre-sold properties may not be able to obtain credit to finance their purchases and/or might become insolvent. The ability of purchasers to obtain credit to finance their purchases may also be affected by changes in government policies, laws and regulations. This may result in such purchasers delaying or being unable to meet their payment obligations in respect of such pre-sold properties, which may materially and adversely affect the Group's business, financial condition and results of operations.

The Group relies on independent contractors to provide property development services

The Group engages independent third party contractors to provide significant property development services, including construction, piling and foundation, building and property fitting-out work, interior decoration and installation of air-conditioning units and elevators. There can be no assurance that the services rendered by any such independent contractor or any subcontractor will be completed in a timely manner or of satisfactory quality. If these services are not completed in a timely manner or of acceptable quality, the Group may incur substantial costs to complete the projects and remedy any defects and the Group's reputation could be significantly harmed. The Group is also exposed to the risk that a contractor may require additional funds in excess of the fixed cost to which they committed contractually and the Group may have to bear such additional amounts. Furthermore, any contractor that experiences financial or other difficulties, including labour disputes with its employees, may be unable to carry out construction or related work, resulting in delay in the completion of the Group's development projects or additional costs being incurred. The Group believes that any problems with the Group's contractors, individually or in the aggregate, may materially and adversely affect the Group's financial condition, results of operations or reputation. There is no assurance that such problems with the Group's contractors will not occur in the future.

The Group faces increasing competition in its property development business

The Group's property development business competes with both domestic and international property developers with respect to factors such as location, pricing, concept and design. Intensified competition between property developers may result in increased costs for land acquisition, lower profit margins and a slowdown in the approval process for new property developments by the relevant government authorities, all of which may adversely affect the Group's property development business. As a result, there can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors and adapt quickly to changing market conditions and trends or that increased competition with respect to the Group's property development business may not have a material adverse effect on its business, financial condition and results of operations. In the event that the Group's competitors are able to provide comparable services at lower prices or respond to changes in market conditions more swiftly or effectively than the Group, the Group's business, financial condition and results of operations may be adversely affected.

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

The Group faces risks in relation to changes in commodity prices due to the consumption of large quantities of building materials, including raw iron, steel, sand, granite and concrete in its property development operations. As a property developer, the Group generally enters into fixed or guaranteed maximum price construction contracts with independent construction companies, each of which affects the development of a significant part of its overall development project. These contracts typically cover both the supply of the building materials and the construction of the facility during the construction period.

Therefore, should the price of building materials increase significantly prior to the Group entering into fixed or guaranteed maximum price construction contracts with prospective contractors, or should its existing contractors fail to perform under their contracts, the Group may be required to pay more to such prospective or existing contractors, which could materially and adversely affect the Group's business, financial condition and results of operations.

The Group may be affected by accidents at its work sites

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

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

RISKS RELATING TO THE GROUP'S HOSPITALITY BUSINESS

The Group may not be able to successfully retain or compete for management agreements and as a result, it may not be able to achieve its planned growth

Part of the Group's hospitality business is based on management contracts for properties which it does not own or in which the Group has a partial effective ownership interest. Termination of the Group's management contracts prior to their expiration, or removal as manager in accordance with the terms of the management contracts or applicable law, or inability to renew management contracts on terms that are commercially reasonable to it could have adverse effects on the business, financial condition, results of operations and prospects of the Group.

Further, the Group's hospitality growth strategy includes signing additional management agreements. The Group believes that its ability to compete for management agreements primarily depends on its brand recognition and reputation, the results of its overall operations and the success of the serviced residences that it currently manages. The terms of any new management agreements that the Group obtains may also be affected by the terms that its competitors offer for similar management agreements. If the hotels and/or serviced residences that the Group manages perform less successfully than those of its competitors, if it is unable to offer terms as favourable as those offered by its competitors or if the availability of suitable properties is limited, the Group may not be able to compete effectively for new management agreements. As a result, it may not be able to achieve its planned growth and the business, financial condition, results of operations and prospects of the Group may be adversely affected.

Existing or planned amenities and transportation infrastructure near the hospitality assets may be closed, relocated, terminated, delayed or not completed

There is no assurance that the amenities and transportation infrastructure and public transport services near the hospitality assets will not be closed, relocated, terminated, delayed or uncompleted, or that there will be no impediment to the traffic flow in the vicinity. Such closure, relocation, termination, delay, non-completion or impediment may adversely affect the accessibility of the hospitality assets. This may then have an adverse effect on the attractiveness and marketability of the hospitality assets to guests and this may adversely affect the business, financial condition, results of operations and prospects of the Group.

The hospitality industry is competitive

The global hospitality industry is highly competitive. The Group competes locally and internationally with existing and newly developed hospitality establishments. The hotels and/or serviced apartments owned and/or managed by the Group experience competition primarily from other similar upscale hotels and/or serviced apartments in their immediate vicinity, and also with other hotels and/or serviced apartments in their geographical market. The level of competition in the global hospitality industry is affected by various factors, including changes in economic conditions, both locally, regionally and globally, changes in local, regional and global populations, the supply and demand for rooms and changes in travel patterns and preferences. Competing hotels and/or serviced apartments may offer more facilities at their premises at similar or more competitive prices compared to the facilities offered at the hotels owned or managed by the Group. Competing hotels may also significantly lower their rates or offer greater convenience, services or amenities, to attract more guests. If these efforts are successful, the results of operations at the hotels and/or serviced apartments owned or managed by the Group may be adversely affected.

There can also be no assurance that demographic, geographic or other changes will not adversely affect the convenience or demand for the hotels and/or serviced apartments owned or managed by the Group.

Accidents, injuries or prohibited activities in hotels and/or serviced apartments owned or managed by the Group may adversely affect its reputation and subject it to liability

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

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

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

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

The hospitality industry is a service-oriented industry and is labour intensive. The continued success of the Group's hospitality operations depends upon its ability to attract and retain qualified personnel to handle its day-to-day operations. However, the supply of qualified personnel in the hospitality industry in Singapore is limited. Competitors may compete for skilled hospitality employees, which may increase the operating costs of the Group's hospitality business. Furthermore, there has been an increase in the demand for such personnel following the opening of the integrated resorts, Marina Bay Sands and Resorts World Sentosa. If the Group's hospitality operations are unable to continue to attract and retain qualified personnel, the Group's hospitality operations may not be able to match its staffing level to its business needs and the Group's businesses, financial condition and results of operations may be adversely affected.

The Group's hospitality staff may also be employed by existing or new competitors in the market and a shortage of manpower and compressed work procedures may translate to lower service quality, which may in turn affect guests' lodging experience and lead existing customers to prefer alternative accommodation from competitors of the Group. This may have a material and adverse effect on the Group's business, financial condition and results of operations.

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

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

- major events affecting either economic or political stability on a global and regional level represent an exposure to the Group. Economic events, such as a global financial crisis, could include recessionary pressures which would have an impact on the Group's revenue, operating costs and profitability. Political risk could include changes in the regulatory environment in which the Group's business activities operate, including restrictions on the repatriation of funds or control over the ownership of assets;

- the hospitality industry operates in an inherently cyclical market place. A weakening of demand, or an increase in market room-supply, may lead to downward pressure on room rates which in turn would lead to a negative effect on operating performance;

- sustained levels of occupancy and room rates can be adversely affected by events that reduce domestic or international travel. Such events may include acts of terrorism, war or perceived increased risk of armed conflict, epidemics, natural disasters, increased cost of travel or industrial action. These events may be localised to a particular country, region or could have a wider international perspective. Reduced demand will impact on revenue and operational profitability;

- changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;

- the nature and length of a typical hotel guest's stay. Hotel guests typically stay on a short-term basis and there is therefore no assurance of long-term occupancy for hotel rooms;

- increases in operating costs due to inflation, labour costs (including the impact of unionisation and increased competition for qualified personnel), workers' compensation and health-care related costs, utility costs, insurance and unanticipated costs such as acts of nature and their consequences; and

- changes in travel patterns resulting from increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather patterns.

These factors could have adverse effects on the Group's financial condition, business, results of operations and prospects.

RISKS RELATING TO THE GROUP'S HEALTHCARE REAL ESTATE BUSINESS

The ability of the tenants of the medical suites owned by the Group to be able to compete successfully with other healthcare service providers will affect the Group indirectly

The healthcare services industry in Singapore is very competitive, with many healthcare service providers, both private and public. A healthcare service provider in Singapore faces competition from existing healthcare service providers as well as new entrants in the future. Some of these competing facilities are or may be owned and supported by governmental agencies or by endowments and charitable contributions. These types of support are not available to the tenants of the medical suites owned by the Group.

The success of the operations of a healthcare and/or healthcare-related asset in Singapore depends on the ability of the operator of these assets to compete effectively against its competitors. There can be no assurance that the tenants of the medical suites owned by the Group would be able to compete successfully in the future.

With the potential influx of new competitors, the ability of the tenants of the medical suites owned by the Group to retain patients and to attract new patients is important to the continued success of the Group. There is no assurance that the patient loads of the medical suites owned by the Group will not be affected with the entry of new competitors and this may adversely affect the operations and financial performance of these tenants and, indirectly, the Group. In the event that any of these tenants is not able to compete effectively against its competitors, its operating results may be adversely affected and this could impact the tenants' ability to make rental payments to the Group.

The tenants of the medical suites may be subject to lawsuits and other claims as a result of malpractice and negligence and complaints from patients

The tenants of the medical suites are exposed to the risk of legal claims and/or regulatory actions arising from the provision of healthcare services. Legal action may be taken against the tenants of the medical suites as a result of medical malpractice and negligence. The existence of such claims alone may tarnish the professional standing and market reputation of the tenants of the medical suites, Novena Medical Center and/or Novena Specialist Center.

Novena Medical Center and/or Novena Specialist Center may also, from time to time, be the subject of complaints from patients with regard to the quality and cost of healthcare services. The business of the tenants of the medical suites may also be affected by negative publicity resulting from the publication of industry findings, research reports or health concerns. Such negative publicity, regardless of their validity, may affect the number of patients visiting Novena Medical Center and/or Novena Specialist Center and the tenants' revenue, profits and ability to make rental payments to the Group may, as a result, be adversely affected.

Decrease in demand for private healthcare services as well as a decline in medical tourism in Singapore will affect the Group indirectly

The financial performance of the tenants of the medical suites is dependent on the demand for private healthcare services from both local and foreign patients, which is in turn generally affected by factors such as a general downturn in global, regional or local economy or the perception that public healthcare services are comparable or better in terms of quality of service and provided at comparable or cheaper rates.

In particular, the medical tourism industry in Singapore is susceptible to factors such as the outbreak of an epidemic, restriction on travel imposed by governments, decline in overseas travel for medical treatments as a result of political sanctions being imposed in the home countries of foreign patients, fears of terrorism in the region, the perception that other countries in the region, such as Malaysia, Thailand and South Korea can provide comparable or better quality of service at comparable or cheaper rates, or the strengthening of the Singapore dollar which may deter foreign patients from seeking medical treatments in Singapore.

In the event that there is a decrease in demand for private healthcare services in Singapore, the financial performance of the tenants of the medical suites will be adversely affected and this could impact the tenants' ability to make rental payments to the Group.

The healthcare industry is heavily regulated and changes in healthcare policy or regulations could impact the Group

Healthcare is an area that is subject to extensive governmental regulation in Singapore. The operations of healthcare-related assets are subject to the healthcare policy, laws and regulations in Singapore, including, but not limited to, licensing, facility inspections and there may be periodic inspections by governmental and other authorities to ensure continued compliance with such laws and regulations.

For example, the operations of private hospitals in Singapore are governed by, amongst others, the Private Hospitals and Medical Clinics Act, Chapter 248 of Singapore. Any changes in such government regulations or the introduction of new applicable laws and regulations may have a negative impact on the business of the tenants of the medical suites. The relevant authorities may suspend or deny renewal of the tenants' existing licences or qualifications if they determine that the tenants do not meet the required standards. If the tenants fail to obtain, maintain or renew the relevant governmental licences, permits and approvals, their respective operations and financial performance may be adversely affected, thereby diminishing their ability to make rental payments to the Group.

RISKS RELATING TO THE GROUP'S BUSINESSES IN GENERAL

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

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

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

Due diligence on the Group's properties may not identify all material defects, breaches of laws and regulations and other deficiencies

There is no assurance that the Group's reviews, surveys or inspections (or the relevant review, survey or inspection reports relied on by the Group) would have revealed all defects or deficiencies affecting properties which the Group has interests in or manage, including to the title thereof. In particular, there is no assurance as to the absence of latent or undiscovered defects, deficiencies or inaccuracies in such reviews, surveys or inspection reports, any of which may have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

The Group is exposed to risks generally associated with acquisitions and joint ventures

The Group has interests in joint venture entities in connection with its businesses and operations. Participations in joint ventures with other companies are and will generally be subject to certain risks. There may be disagreements between the Group and its joint venture partners regarding the business and operations of the joint ventures which may not be resolved amicably. In addition, the Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group, (ii) take actions contrary to the Group's instructions, requests, policies or objectives, (iii) be unable or unwilling to fulfill their obligations, (iv) have financial difficulties or (v) have disputes with the Group as to the scope of their responsibilities and obligations. In addition, there may be risks related to disagreements with its joint venture partners concerning expansion plans, capital expenditures, marketing plans and overall business strategy. Further, the Group may not be able to control the decision-making process of the joint ventures without reference to the joint venture partners and, in some cases, it does not have majority control of the joint venture.The Group may fail to realise its desired growth objectives, economies of scale, or cost savings. Any of these and other factors may materially and adversely affect the performance of the Group's joint ventures, which may in turn materially and adversely affect the Group's business, financial condition and results of operations. No assurance can be given that disputes among the Group and its joint venture partners or among the partners will not arise in the future that could adversely affect the operations of the joint ventures.

The Group is subject to interest rate fluctuations

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

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

The Group's businesses may be subject to risks in investing outside Singapore

The Group's activities in foreign countries could expose it to political, economic, regulatory and social risks and uncertainties specific to those countries. These investments may also be adversely affected by a number of local real estate market conditions in these countries, such as oversupply, the performance of other competing properties or reduced demand. Any changes in the political, economic, regulatory and social environments and the policies by the governments of these countries, which include, *inter alia*, restrictions on foreign currency conversion or remittance of earnings, the requirement for approval by government authorities, changes in laws, regulations and interpretation thereof and changes in taxation could adversely affect the Group's business, financial condition and results of operations. Such unfavourable events in such foreign countries will have an adverse impact on the Group's distributable income and asset value.

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

The Group may be involved from time to time in disputes with various parties involved in the development and sale of the Group's properties (such as contractors, sub-contractors, suppliers, construction companies, purchasers and other partners) and the management and operations of the Group's hotels and investment properties. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays to the relevant property development(s). In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject the Group to administrative proceedings and unfavourable decrees that result in financial losses and/or a delay in the construction or completion of the Group's projects.

The Group may suffer an uninsured loss

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

The outbreak of an infectious disease or any other serious public health concerns in Asia and elsewhere could adversely impact the Group's business, financial condition and results of operations

The outbreak of an infectious disease in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in Asia and could thereby adversely impact the revenues and results of the Group. In 2003, there was an outbreak of SARS, a highly contagious and potentially deadly disease in many countries in Asia. The SARS outbreak had a significant adverse impact on the economies of the affected countries. Since the latter half of 2005, there have been media reports regarding the spread of the H5N1 virus or "Avian Influenza A" among birds and poultry and, in some isolated cases, transmission of Avian Influenza A virus from animals to human beings. Similarly, since early 2009, there have been reports regarding the spread of the H1N1 virus or "Swine Influenza A" from animals to humans and, in some isolated cases, of human-to-human transmission of Swine Influenza A.

Any further significant outbreak of a highly contagious disease, such as the Ebola outbreak, which commenced in West Africa in early 2014, may adversely affect the business, financial condition and results of operations of the Group. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concern in Asia could adversely affect the Group's businesses.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business, financial condition and results of operations of the Group

The terrorist attacks in Southeast Asia and the rest of the world have resulted in substantial and continuing economic volatility and social unrest in Southeast Asia. Although there have been no such incidents in Singapore, there has been an increasing number of bombings and similar politically or ideologically motivated attacks on large commercial properties in recent years. Any further developments or terrorist activities could materially and adversely affect international financial markets and the Singapore economy and may adversely affect the operations, revenues and profitability of the Group. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee these events. These events could have an adverse effect on business, financial condition and results of operations of the Group.

The Group's real estate investments may be illiquid

Real estate investments are generally illiquid. Such illiquidity limits the ability of an owner or a developer to convert real estate assets into cash on short notice or may require a substantial reduction in the price that may otherwise be sought for such asset to ensure a quick sale. Such illiquidity also limits the ability of the Group to vary its portfolio in response to changes in economic, real estate market or other conditions. For instance, the Group may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. This could have an adverse effect on Group's financial condition and results of operations, with a consequential adverse effect on the Group's ability to make expected returns. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to its illiquidity.

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

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

The Group is subject to exchange rate fluctuations and exchange controls

The Group's revenue, costs and capital expenditure are mainly denominated in Singapore dollars, Australian dollars and Euros. Consequently, portions of the Group's costs and its margins are affected by fluctuations in the exchange rates among the abovementioned currencies. The impact of future exchange rate fluctuations in respect of the Singapore dollar, Australian Dollar, Euro and other currencies on the Group's cost of sales and margins cannot be accurately predicted. Some of the currencies may not be convertible or exchangeable or may be subject to exchange controls.

The Group may face risks relating to labour shortages and dependence on foreign workers in respect of its operations in Singapore and overseas

The Group is highly dependent on foreign workers in its various businesses and is vulnerable to the shortage and high employment cost of foreign workers. Depending on the immigration policies in the countries which the Group operates in, the Group may not be able to employ sufficient workers. Any changes in the labour policies in the countries which the Group operates in or the countries of origin of foreign workers may affect the supply of or cost of employing foreign workers and cause disruptions to the operations of the Group. In the event of a shortage of foreign workers, an increase in the cost of hiring foreign workers, or the Group being barred from employing foreign workers by the relevant authorities, the Group's business may be materially and adversely affected.

In general, manpower costs have increased and this has arisen primarily from shortage of labour. If manpower costs continue to rise and the Group is unable to pass on the additional costs to its customers, the Group's business may be materially and adversely affected.

Major natural catastrophes may materially disrupt and adversely affect the business and operations of the Group

Severe weather conditions and natural disasters such as floods in locations where the Group operates may affect the business and operations of the Group. These events may cause substantial structural and physical damage to the Group's properties, resulting in expenses to repair the damage caused, and such damage may not be fully covered by insurance, if any. These events may also cause disruptions to the Group's business, financial condition and results of operations, which may in turn affect the Group's ability to fulfill its payment obligations under the Notes.

The Group is subject to environmental regulations

The Group's operations are subject to various environmental laws in the countries where it operates. Changes to environmental laws and regulations in the countries in which the Group operates may lead to increased compliance costs. Further, the costs of remedying potential violations or resolving enforcement actions that might be initiated by governmental entities could be substantial.

Environmental laws require the Group to maintain and comply with a number of permits, authorisations and approvals. In the event of a violation, the Group may be required to halt one or more segments of the Group's operations until remedial actions are implemented. In addition, the Group cannot predict the nature, scope or effect of future regulatory requirements to which the Group's operations may be subject or the manner in which existing or future laws will be administered or interpreted. Compliance with more stringent local laws or regulations, as well as more vigorous enforcement policies of the operating countries' regulatory agencies, could require substantial expenditure by the Group and could materially and adversely affect the Group's business.

In addition, violation of environmental regulatory requirements may occur at the sites for the Group's projects even though the Group has put in place certain measures as may be required. The Group may incur fines and penalties imposed in relation to any breaches of environmental regulations on worksites. In such an event, the Group's business may be materially and adversely affected. In the event that the Group is issued such stop-work orders or has its business licences revoked in the future, this may severely disrupt its operations and lead to a delay in the completion of a project. These circumstances may generate negative publicity and adversely affect the Group's market reputation, and may also have a material and adverse impact on its business.

The Group could incur significant costs related to environmental matters

The Group is subject to various laws and regulations relating to protection of health and the environment that may require a current or previous owner of real estate to investigate and clean up hazardous or toxic substances at a property. For example, owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose liability without regard as to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of hazardous waste, asbestos or other toxic substances may be substantial.

Environmental laws may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous materials and other regulated substances. Failure to comply with these laws can result in penalties or other sanctions.

Existing environmental reports and investigations with respect to any of the Group's properties may not reveal (i) all environmental liabilities, (ii) whether prior owners or operators of the properties had created any material environmental condition not known to the Group or (iii) whether a material environmental condition exists in any one or more of the properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Finally, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability. The Group may be subject to liabilities or penalties relating to environmental matters which could adversely affect the Group's business.

THE ISSUER

1. HISTORY AND OVERVIEW

The Issuer was incorporated with limited liability under the laws of Singapore on 28 December 1967. The Issuer is a public limited company and has been listed on the Main Board of the SGX-ST since 9 September 1968. The Issuer, which was originally incorporated under the name Ming Court Limited, became a member of Far East Organization on 20 June 1987, changed its name to Orchard Parade Holdings Limited on 31 December 1990 and thereafter to Far East Orchard Limited on 27 July 2012.

Restructuring of the Group

In August 2012, the Group completed a restructuring exercise which involved:

(a) the grant of leasehold interests ranging from 50 to 75 years over Orchard Parade Hotel, Village Hotel Albert Court and Village Residences Clarke Quay (the "**Hospitality Assets**") to Far East H-REIT and immediately thereafter the leasing of the Hospitality Assets from Far East H-REIT for an initial period of 20 years and an extendable term of another 20 years at the option of the Group;

(b) the acquisition of an approximately 33% interest in each of the REIT Manager and the Trustee-Manager;

(c) the acquisition of the hospitality management business as well as 45 and 48 units of medical suites in Novena Medical Center and Novena Specialist Center respectively from certain members of Far East Organization; and

(d) the divestment by the Group to certain members of Far East Organization of approximately 35% of the then total existing issued share capital of YHS being the purchase consideration for the acquisitions referred to in the preceding paragraph (c).

Through the restructuring exercise, the Group expanded into new business lines of hospitality management, provision of healthcare real estate space and investment in the REIT Manager and the Trustee-Manager, which are complementary to its existing businesses of hospitality, property development and property investment. The restructuring exercise also marked the Group's transformation into a vertically-integrated hospitality operator with the capability to develop its own hospitality properties as well as manage a significant hospitality management portfolio.

Strategic hospitality partnerships with STC and Toga

In April 2013, the Group incorporated a wholly-owned subsidiary, FEHH. In June 2013, pursuant to the strategic partnership with STC, 30% of the interest in FEHH was transferred to STC and the Group retained 70% of the interest in FEHH.

On 6 August 2013, the Group, through Far East Hospitality Investments (Australia) Pte. Ltd., a wholly-owned subsidiary of FEHH, committed to subscribe a 50% equity interest in Toga Hotel Holdings Unit Trust and its subsidiaries, ("**Toga JV**") which acquired:

(a) the hospitality management business of the Toga group of companies (the "**Toga Group**") on the same day; and

5(b) the entire interest in five hospitality properties in Australia namely (i) Adina Apartment Hotel Sydney Harbourside, (ii) Adina Apartment Hotel Adelaide Treasury, (iii) Adina Apartment Hotel Brisbane, (iv) Vibe Hotel Sydney, and (v) Travelodge Mirambeema Resort Darwin on 7 August 2013.

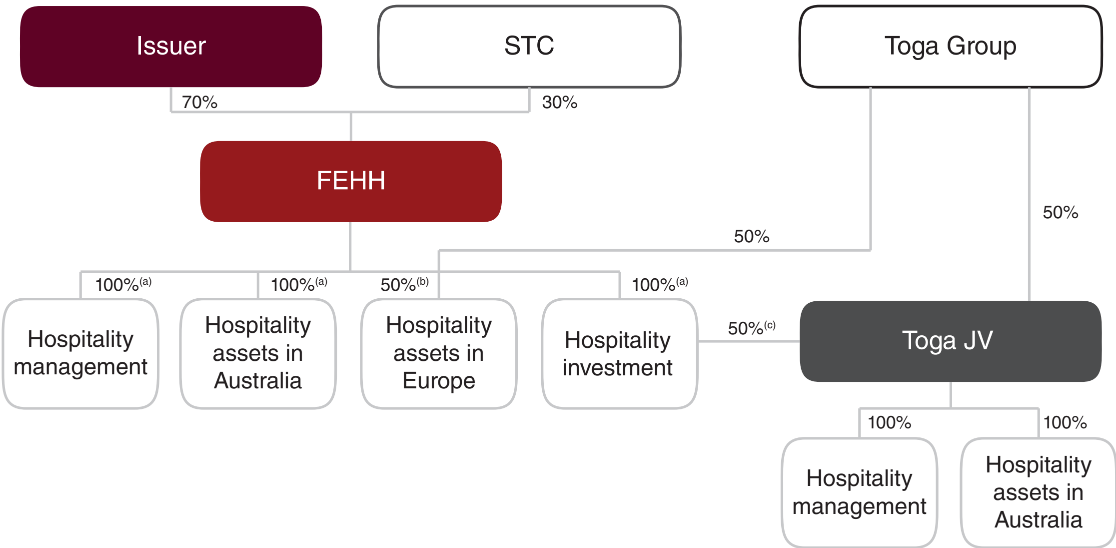
On 1 November 2013, FEHH acquired three hospitality assets in Australia and the hospitality management business in Australia, New Zealand and China from STC. The Group also transferred its hospitality management business from Jelco Properties Pte Ltd, a wholly-owned subsidiary of the Issuer, to FEHMS. FEHMS is a wholly-owned subsidiary of FEHH.

With these transactions, the Group extended its hospitality business segment beyond Singapore and Malaysia into Australia, China, Denmark, Germany, Hungary and New Zealand.

In June and July 2014, FEHH through the Toga JV acquired a 13-storey office building at 280 George Street in Sydney and a heritage-listed office building at 171 George Street in Brisbane. These office buildings will be converted into hotels.

On 1 August 2014, FEHH through its subsidiaries and the Toga Group jointly acquired three hospitality properties in Germany and one in Denmark. These properties are currently managed by the Toga JV under the Adina Apartment Hotels brand.

As at the Last Practicable Date, the business structure of FEHH can be illustrated as follows:



Notes:

(a) Group's effective interest = 70%.

(b) Group's effective interest = 35%.

(c) Group's effective interest = 35% when subscription to Toga JV is fully paid. As at the Latest Practicable Date, the Group's effective interest was 30%.

As at the date of this Information Memorandum, the Group has a diversified portfolio focusing on hospitality real estate development and management, property development, property investment and healthcare real estate.

As at the Latest Practicable Date, the Issuer has a market capitalisation of S$669.0 million.

2. GROUP STRUCTURE

The Issuer's effective interest in its key operating subsidiaries and joint ventures as at the Latest Practicable Date is presented below. Further details of the properties are set out in the section "The Issuer – Business".

FAR EAST ORCHARD LIMITED

Hospitality

Ownership[1]

Malaysia

- **Pinehigh Development Sdn Bhd (100%)**
  - Oasia Suites Kuala Lumpur

Australia

- **Far East Hospitality Properties (Australia) Pte Ltd (70%)**
  - Rendezvous Hotel Perth Scarborough
  - Rendezvous Hotel Perth Central
  - Rendezvous Hotel Melbourne
- **Rendezvous Hotels (Australia) Pty Ltd ("RHA") (70%)**
  - Restaurant and manager unit at Rendezvous Hotel Brisbane Anzac Square[2]
  - Manager units at Rendezvous Reef Resort Port Douglas[2]
- **Toga JV (30%)**
  - Adina Apartment Hotel Sydney Harbourside
  - Adina Apartment Hotel Adelaide Treasury
  - Adina Apartment Hotel Brisbane
  - Vibe Hotel Sydney
  - Travelodge Mirambeena Resort Darwin
  - 280 George Street, Sydney
  - 171 George Street, Brisbane

Germany

- **TAF Krausenstraße Property GmbH and TAF Krausenstrasse Trading GmbH (35%)**
  - Adina Apartment Hotel Berlin Checkpoint Charlie
- **TAF Invalidenstrasse Property Pty Ltd and TAF Invalidenstraße Trading GmbH (35%)**
  - Adina Apartment Hotel Berlin Hauptbahnhof
- **TAF Wilhelm Leuschner Strasse Property GmbH and TAF Wilhelm-Leuschner-Str. Trading GmbH (35%)**
  - Adina Apartment Hotel Frankfurt Neue Oper

Denmark

- **Safe Nordhavn ApS and THF Denmark (Active) ApS (35%)**
  - Adina Apartment Hotel Copenhagen

Lease[1]

Singapore

- **Far East Orchard Limited**
  - Orchard Parade Hotel
- **First Choice Properties Pte Ltd (100%)**
  - Village Hotel Albert Court
- **OPH Riverside Pte Ltd (100%)**
  - Village Residence Clarke Quay

Australia and New Zealand

- **Rendezvous Hotels (Australia) Pty Ltd (70%)**
  - Rendezvous Hotel Sydney The Rocks
  - Rendezvous Hotel Brisbane Anzac Square
  - Rendezvous Reef Resort Port Douglas
- **Allegra Hotel Pty Ltd (70%)**
  - Rendezvous Hotel Adelaide
- **Marque Hotels International Pty Ltd (70%)**
  - Rendezvous Hotel Brisbane on George
  - Rendezvous Hotel Sydney Central
- **Rendezvous Hotels (NZ) Limited (70%)**
  - Rendezvous Hotel Auckland
  - Rendezvous Hotel Christchurch
- **Toga JV (30%)**
  - Certain properties under the brands Adina Apartment Hotels, Medina Serviced Apartments, Vibe Hotels and Travelodge Hotels

Management[1]

Singapore, Malaysia and China

- **FEHMS (70%)**
  - All properties under the brands of Oasia, Quincy, Rendezvous Hotels and Village Hotels and Residences

Australia, New Zealand, Germany, Hungary and Denmark

- **Toga JV (30%)**
  - All properties under the brands Adina Apartment Hotels, Medina Serviced Apartments, Rendezvous Hotels, Vibe Hotels and Travelodge Hotels

Property

Property development

Singapore

- **Woodlands Square Pte Ltd (33%)**
  - Woods Square
- **Watervine Homes Pte Ltd (30%)**
  - RiverTrees Residences
- **Far East Opus Pte Ltd (20%)**
  - SBF Center
- **OPH Marymount Pte Ltd and Transurban Properties Pte Ltd (20%)**
  - euHabitat
- **Jelco Properties Pte Ltd (100%)**
  - Medical units at Novena Medical Center and Novena Specialist Center

Australia

- **Toga Developments Sydney Pty Ltd (50%)**
  - Harbourfront Balmain

Property investment

Singapore

- **Far East Orchard Limited**
  - Offices at Tanglin Shopping Centre
- **Jelco Properties Pte Ltd (100%)**
  - Medical units at Novena Medical Center and Novena Specialist Center

Australia

- **Far East Hospitality Properties (Australia) Pte Ltd (70%)**
  - Retail podium at Rendezvous Hotel Perth Scarborough

Investments

Singapore

- **FEO Hospitality Asset Management Pte Ltd (33%) and FEO Hospitality Trust Management Pte Ltd (33%)**
  - Manager for Far East Hospitality Trust

Notes:

(1) The Group, via either FEHMS or Toga JV, manages all the abovementioned owned and leased properties.

(2) RHA leases all units, except for the abovementioned owned units, in these strata titled properties.

3. BUSINESS

The Group's key business segments are (1) hospitality; (2) property development; and (3) property investment. The table below shows the breakdown of revenue of the Group by business segments for FY2014, FY2013 and FY2012.

	FY2014 (unaudited) S$'000	FY2013 (audited) S$'000	FY2012 (audited) S$'000
Hospitality	212,001	96,072	60,620
Property development	94,380	54,146	4,157
Property investment	9,156	8,351	10,399
	315,537	158,569	75,176

3.1 HOSPITALITY

The Group's hospitality portfolio covers over 80 properties with more than 13,000 rooms as at the Latest Practicable Date. The Group's stable of nine hospitality brands are Quincy, Oasia, Village Hotels and Serviced Residences, Rendezvous Hotels, Adina Apartment Hotels, Medina Serviced Apartments, Vibe Hotels, Travelodge Hotels and Marque.

The Group operates its hospitality business through three platforms: (1) ownership and management; (2) lease and management; and (3) management. These complementary platforms enable the Group to capitalise on its brands, overseas markets presence and operational scale.

The Group adopts an asset management strategy with respect to its hospitality portfolio which seeks to maximise the cash flow and value of the assets comprised in such portfolio. To this end, the Group will, as part of its ordinary course of business, source for and pursue acquisition opportunities that will provide potential for future income and capital growth, and at the same time, capitalise on divestment opportunities as and when the Group considers feasible in order to free up or recycle capital for re-deployment towards higher yielding growth opportunities. In this regard, the forms of divestment which the Group may consider undertaking from time to time also include the transfer of assets to a real estate investment trust, business trust, property funds or any other entity in connection with the listing of such vehicle or to a joint venture company in which the Group will also have an equity interest.

3.1.1 Hospitality properties owned and managed by the Group

As at the Latest Practicable Date, the hospitality properties in Australia, Germany, Denmark and Malaysia which the Group has ownership through its subsidiaries and joint ventures are as follows:

	Location	Group's effective interest	Tenure	Site area (sqm)	Number of rooms
Completed properties					
Australia					
Rendezvous Hotel Perth Scarborough	Perth	70%	Freehold	11,467	336
Rendezvous Hotel Perth Central	Perth	70%	Freehold	103	103
Rendezvous Hotel Melbourne	Melbourne	70%	Freehold	1,999	340
Adina Apartment Hotel Sydney Harbourside	Sydney	30%	Leasehold	3,058	113
Adina Apartment Hotel Adelaide Treasury	Adelaide	30%	Leasehold	4,154	79
Adina Apartment Hotel Brisbane	Brisbane	30%	Freehold	2,693	159
Vibe Hotel Sydney	Sydney	30%	Freehold	1,164	191
Travelodge Mirambeena Resort Darwin	Darwin	30%	Freehold	13,100	224
Restaurant at Rendezvous Hotel Brisbane Anzac Square	Brisbane	70%	Freehold	635	1
Manager unit at Rendezvous Hotel Brisbane Anzac Square	Brisbane	70%	Freehold	71	1
Manager units at Rendezvous Reef Resort Port Douglas	Port Douglas	70%	Freehold	401	2
Germany					
Adina Apartment Hotel Berlin Checkpoint Charlie	Berlin	35%	Freehold	2,143	127
Adina Apartment Hotel Berlin Hauptbahnhof	Berlin	35%	Freehold	1,798	139
Adina Apartment Hotel Frankfurt Neue Oper	Frankfurt	35%	Freehold	1,455	134
Denmark					
Adina Apartment Hotel Copenhagen	Copenhagen	35%	Freehold	3,000	128
Properties under development					
Malaysia					
Oasia Suites Kuala Lumpur	Kuala Lumpur	100%	Freehold	1,880	247
Australia					
280 George Street	Sydney	30%	Freehold	583	–(1)
171 George Street	Brisbane	30%	Freehold	1,485	–(1)

Note (1): Development planning in progress.

(a) Australia

Rendezvous Hotel Perth Scarborough is a beachfront hotel overlooking Scarborough Beach. The hotel has 4.5-star rating and is within a 15-minute and 30-minute drive of Perth's CBD and Perth Airport respectively. It has 336 rooms and suites, and is accompanied by facilities including a café, lobby bar and meeting spaces.

Rendezvous Hotel Perth Central is a 4-star hotel with 103 rooms and apartments. It is located in the heart of Perth's CBD, within walking distance of many of the city's attractions and offices such as Kings Park, Botanic Garden and Perth Convention and Exhibition Centre. There are convenient amenities and services such as a business centre, 24-hour reception, restaurant and bar, secure parking, and gymnasium.

Rendezvous Hotel Melbourne is a 4.5-star hotel which was built in 1913 and restored to provide guests with all the comforts of modern technology and amenities while still retaining the elegant style of the 1900s. Rendezvous Hotel Melbourne has nine floors with 340 rooms and suites. The hotel is located in the heart of the CBD on Flinders Street overlooking the Yarra River, within walking distance of many of Melbourne's top attractions making it well-suited for both business and leisure travellers. Its facilities include a 24-hour business centre, fitness centre and restaurant and cocktail bar.

Adina Apartment Hotel Sydney Harbourside is a 4.5-star rated apartment hotel situated within the western corridor of the Sydney CBD. The hotel offers guests views of Sydney city and Darling Harbour from its 113 studio and one-bedroom self-contained apartments. The complex is located adjacent to the Sydney Aquarium and within close proximity to Darling Harbour, Town Hall, King Street, Cockle Bay Wharves, Queen Victoria Building and the financial and retail entertainment precincts of the Sydney CBD. It has many amenities and facilities such as retail shops, a restaurant, conference facilities, swimming pool and gymnasium.

Adina Apartment Hotel Adelaide Treasury is a 4.5-star apartment hotel comprising a total of 79 serviced apartments, five function areas, restaurant and bar, pool spa and sauna, gymnasium and central courtyard. The property is contained within the historic Adelaide Treasury building, which was extensively renovated and converted to a modern serviced apartment complex in 2002. Adina Apartment Hotel Adelaide Treasury occupies a prime position within the heart of the Adelaide CBD, situated on the north-eastern corner of Flinders and King Williams Streets overlooking Victoria Square. Adelaide's retail precinct of Rundle Mall, the Adelaide Sky City Casino, Parliament Houses, Government House and the Adelaide Convention Centre and Exhibition Hall are all within close proximity.

Adina Apartment Hotel Brisbane is a 4.5-star apartment hotel comprising 159 rooms, a restaurant, lounge/bar, meeting rooms, swimming pool, tennis court and gymnasium. All the one- and two-bedroom apartments have a lounge, kitchen, separate bedrooms and laundry facilities. The complex is prominently situated on the northern fringe of the Brisbane CBD overlooking the Brisbane River, Kangaroo Point and inner city. Situated alongside the northern end of the iconic Story Bridge, the property is a short walk from Brisbane's central office precinct and riverfront restaurants. In February 2015, Toga JV has entered into a sale and purchase agreement for the sale of this property; completion of the sale will be subject to satisfaction of conditions precedent.

Vibe Hotel Sydney is a 4-star full service hotel situated in the southern precinct of Sydney's CBD at the corner of Elizabeth Street and Goulburn Street. The property is well-positioned in close proximity to Sydney's major retail precinct, and has convenient access to public transport with Sydney Central Railway Station and Railway Square located approximately 550 metres to the south of the property, providing bus, rail and light rail transport services. Its facilities include a restaurant, café and bar, gymnasium, rooftop swimming pool and five function rooms.

Travelodge Mirambeena Resort Darwin is situated on 1.31 hectares of land in the Darwin city centre. It is a modern full service 4-star hotel located in the Darwin CBD, well serviced by the nearby retail and restaurant precinct. The hotel offers 192 hotel rooms and 32 self-contained townhouses, pool, spa and gymnasium facilities, conference rooms and a café and bar. Darwin is the major commercial centre servicing the Northern Territory and is a hub to a wide range of Australia's booming industries including mining, offshore oil and gas production, pastoral, tourism and tropical horticulture.

The Group owns two lots each at Rendezvous Hotel Brisbane Anzac Square and Rendezvous Reef Resort Port Douglas. These lots are owner-occupied except for one in Rendezvous Hotel Brisbane Anzac Square that is leased to a non-related party for the operation of a restaurant.

280 George Street, Sydney is a 13-storey office building positioned in Sydney's financial and banking district on the corner of Hunter and George Street. It is located directly opposite Wynyard Station and is within walking distance from Circular Quay. The building will be converted into a hotel in due course.

171 George Street, Brisbane is a heritage-listed office building located on the corner of Elizabeth and George Streets, in Brisbane's CBD. It is within walking distance from the Queen Street Mall retail precinct. The building will be converted into a hotel in due course.

(b) Germany

Adina Apartment Hotel Berlin Checkpoint Charlie is situated in the historic Mitte district, near the historic Checkpoint Charlie. The city is easily accessible via the metro station which is a short walk from the hotel.

Adina Apartment Hotel Berlin Hauptbahnhof is situated minutes from the largest crossing station in Europe. The hotel is a 10 minute walk from a variety of retail outlets, cafes, bars and restaurants.

Adina Apartment Hotel Frankfurt Neue Oper is located on the bank of the river Main, a few minutes from the city centre. The historic Römer, Frankfurt Cathedral and the Goethe-House are close by.

(c) Denmark

Adina Apartment Hotel Copenhagen is located adjacent to Copenhagen's ferry terminal and a few minutes from the city. Attractions including The Opera House, National Arena and the Little Mermaid are all easily accessible.

(d) Malaysia

Oasia Suites Kuala Lumpur is the Group's existing commercial building in Kuala Lumpur that is currently undergoing re-development into a 247 unit serviced residences with the addition of a new tower wing.

3.1.2 Hospitality properties leased and managed by the Group

The Group leases, as lessee, and manages certain hospitality properties in Singapore, Australia and New Zealand from non-related and related parties. As at the Latest Practicable Date, the details of such properties which the Group holds through its subsidiaries are as follows:

	Location	Group's effective interest in lease	End of lease	Number of rooms
Singapore				
Orchard Parade Hotel	Orchard	100%	FY2032[1]	388
Village Hotel Albert Court	Rochor	100%	FY2032[1]	210
Village Residence Clarke Quay	Clarke Quay	100%	FY2032[1]	127
Australia				
Rendezvous Hotel Adelaide	Adelaide	70%	FY2017	201
Rendezvous Hotel Brisbane Anzac Square	Brisbane	70%	FY2019	135
Rendezvous Hotel Sydney The Rocks	Sydney	70%	FY2015	61
Rendezvous Reef Resort Port Douglas	Port Douglas	70%	FY2020	104
Rendezvous Hotel Brisbane on George	Brisbane	70%	FY2016	99
Rendezvous Hotel Sydney Central	Sydney	70%	FY2016	116
New Zealand				
Rendezvous Hotel Auckland	Auckland	70%	FY2016	452
Rendezvous Hotel Christchurch	Christchurch	70%	FY2021	171

Note 1: In August 2012, the Group granted a leasehold interest over this property to Far East H-REIT. For further details, please refer to the section "The Issuer – History and Overview". The Group has reversionary interest in this property at the expiry of the leasehold interest.

(a) Singapore

Orchard Parade Hotel is a 388 room hotel located at the entrance of Orchard Road and is a 10-minute walk from Lido Cineplex and major shopping centres such as ION Orchard, Wisma Atria and Ngee Ann City.

Village Hotel Albert Court is a 210 room hotel located on the fringe of Little India and in the vicinity of the Straits Chinese enclave of Bugis. The hotel contains Indian and Peranakan influences with Straits Chinese carvings and motifs that adorn the walls of its conservation pre-war shop houses.

Village Residence Clarke Quay is a 127 unit service residences located within walking distance from Singapore's CBD. Village Residence Clarke Quay is in close proximity to the Clarke Quay riverside and the heritage site of Chinatown.

(b) Australia

Rendezvous Hotel Adelaide is a 201 room cosmopolitan hotel located in the heart of Adelaide's CBD. Rendezvous Hotel Adelaide provides modern amenities such as a heated indoor pool.

Rendezvous Hotel Brisbane Anzac Square is located in the heart of Brisbane's CBD. The hotel overlooks the Anzac Square memorial gardens and is opposite the Central Railway Station, providing direct access to Brisbane's major attractions. The hotel is a restored downtown hotel with 135 rooms and apartments and blends a unique heritage building with a contemporary feel. Rendezvous Hotel Brisbane Anzac Square will be re-branded as Adina Apartment Hotel Brisbane, Anzac Square with effect from 1 April 2015.

Rendezvous Hotel Sydney The Rocks is a 61 room hotel in the heart of The Rocks, a vibrant historical neighbourhood in downtown Sydney. The CBD is within walking distance from Rendezvous Hotel Sydney The Rocks, and many of the city's shopping, dining and entertainment venues like the Harbour Bridge, Susannah Place Museum and the Overseas Passenger Terminal are easily accessible from the hotel.

Rendezvous Reef Resort Port Douglas is a full-service resort offering the freedom of self-catered accommodation in villas. The resort is set amongst 15 acres of tropical gardens. Each of the two-storey villas at Rendezvous Reef Resort Port Douglas provides 110 sqm of living space, providing guests with privacy and room to relax.

Rendezvous Hotel Brisbane On George is a vibrant hotel located in the heart of Brisbane's CBD. The hotel is a two-minute walk from the Treasury Casino and a minute's stroll from the Brisbane River. Some of the city's most popular sites are within walking distance, including Queen Street Mall, Brisbane Convention & Exhibition Centre, and South Bank.

Rendezvous Hotel Sydney Central is a 116 room hotel located adjacent to Railway Square in the heart of Sydney. Some of the city's most popular sites are within walking distance, including Darling Harbour, Chinatown, the Sydney Convention & Exhibition Centre, and Surry Hills. With its central location, the hotel allows guests to explore famous attractions such as the Opera House, Sydney Harbour Bridge, Powerhouse Museum and Sydney Aquarium.

(c) New Zealand

Rendezvous Hotel Auckland is a 452 room hotel located in the city centre close to Queen Street and Viaduct Harbour. Situated in the heart of Auckland, the city's main attractions are easily accessible from the hotel. The hotel is linked via an underground tunnel to the Auckland Convention Centre at THE EDGE, which comprises four of Auckland's landmark venues: Aotea Centre, The Civic, Auckland Town Hall and Aotea Square.

Rendezvous Hotel Christchurch is a 171 room hotel located one block from Cathedral Square. The hotel's central location provides convenience to business and leisure travellers.

3.1.3 Hospitality properties managed by the Group

In Singapore, the Group, through FEHMS, manages one of the largest hospitality portfolio comprising 18 hotels and serviced residences as at the Latest Practicable Date under the brands: Oasia, Quincy, Rendezvous Hotels and Village Hotels and Residences. The Group, through the Toga JV, manages one of the largest hospitality portfolio in Australia, New Zealand and Europe offering approximately 60 hotels managed under the brands: Adina Apartment Hotels, Medina Serviced Apartments, Rendezvous Hotels, Vibe Hotels and Travelodge Hotels.

This platform generates revenue for the Group primarily from fees for operating hotels under the management agreements for the benefit of related and non-related parties who either own or lease these properties. The terms of the Group's management agreements vary, but the fees generally consist of a base management fee based on a percentage of each hotel's gross revenue, and the Group may also earn an incentive fee based on Gross Operating Profits. Additionally, the owner, or in the case where the owner has leased the hotel, the lessee generally pays a monthly fixed or variable fee based on a percentage of the gross revenue that covers the costs of advertising and marketing programs; and internet, technology and reservation systems expenses; and quality assurance program costs. The initial terms of the Group's management agreements are 10 to 20 years. Typically these agreements contain one or two extension options that are either for five or ten years and can be exercised at the Group's or the other party's option or by mutual agreement. Some of the Group's management agreements provide early termination rights to the owners or lessees upon certain events, including substantial damage or destruction of property, and failure to meet certain financial or performance criteria.

3.2 PROPERTY DEVELOPMENT

The Group is an established property developer and has delivered a number of successful residential, commercial and hospitality developments. For residential projects, the Group is currently jointly developing euHabitat with Far East Organization. euHabitat is an integrated residential development which offers unique elements for different options from SOHO units to three-storey townhouses, located in the eastern part of Singapore. Another residential project which is under development, RiverTrees Residences in Fernvale Close in the northern part of Singapore, is a joint venture with Frasers Centrepoint Limited and Sekisui House Ltd. On 29 October 2014, the Group subscribed for a 50% interest in Toga Developments Sydney Pty Limited, a joint venture company set up with Toga, to develop a 121-unit residential project named Harbourfront Balmain in Sydney. For commercial projects, the Group has a 20% effective interest in SBF Center, a 31-storey mixed-use commercial building which is a development that will offer a broad spectrum of office and medical spaces set in park-like greenery located on Robinson Road and in the heart of Singapore's financial and commercial district. SBF Center was launched in March 2013. In April 2014, a joint venture between Far East Organization, Sekisui House Ltd. and the Group was awarded the tender for the commercial site at Woodlands Square. The joint venture intends to build two 16-storey office towers featuring both large and small strata office units for sale as well as for lease. The Group has also jointly developed award-winning residences such as Floridian, Regent Grove and Seasons View and other quality residences such as The Nexus, Glendale Park, Kew Green, Kew Residencia and The Manor Houses.

As at the Latest Practicable Date, the details of the Group's properties under development and completed properties held for sale, which the Group holds through its subsidiaries or joint ventures, are as follows:

	Location	Group's effective interest	Tenure	Site area (sqm)	Number of units	Number of units sold (as at the Latest Practicable Date)
Residential properties under development						
Singapore						
euHabitat	Paya Lebar	20%	Leasehold	41,261	750	744
RiverTrees Residences	Sengkang	30%	Leasehold	14,930	496	321
Australia						
Harbourfront Balmain	Sydney	50%	Freehold	12,375	121	78
Commercial properties under development						
Singapore						
SBF Center	Robinson Road	20%	Leasehold	18,569	249	230
Woods Square	Woodlands	33%	Leasehold	2,932	–(1)	–(1)

Note (1): Development planning in progress.

	Location	Group's effective interest	Tenure	Site area (sqm)	Number of units available for sale (as at the Latest Practicable Date)
Completed properties held for sale					
Singapore					
Medical suites at Novena Medical Center	Novena	100%	Leasehold	na	7
Medical suites at Novena Specialist Center	Novena	100%	Leasehold	na	32

(a) Singapore

euHabitat is an integrated residential development in Eunos comprising suites, SOHO apartments, condominiums and townhouses. Unit sizes offered range from one- to four-bedroom. euHabitat is expected to be completed in September 2015.

RiverTrees Residences is jointly developed by the Group, together with Frasers Centrepoint Limited and Sekisui House Ltd. RiverTrees Residences is located in Sengkang and is near amenities like the upcoming Sengkang General and Community Hospital. RiverTrees Residences is expected to be completed in June 2018.

SBF Center is a 249 unit mixed-use commercial development which was launched in March 2013. Located on Robinson Road and in the heart of Singapore's financial and commercial district, SBF Center is expected to be completed in June 2017.

Woods Square will be a mixed use project featuring two 16-storey office towers and a retail component. The office towers will comprise small and large floor plate strata offices for sale and lease. This will make up approximately 90% of the development. There will be retail spaces occupying level one and the basement will be directly connected to Woodlands MRT station and Causeway Point. The architecture will feature extensive greenery and public open spaces designed to encourage interaction.

Novena Medical Center

As at the Latest Practicable Date, seven units of medical suites in Novena Medical Center are intended for sale and have been classified as properties held for sale. For further details on Novena Medical Center, please refer to Section 3.3 "Property Investment" below.

Novena Specialist Center

As at the Latest Practicable Date, 32 units of medical suites in Novena Specialist Center are intended for sale and have been classified as properties held for sale. For further details on Novena Specialist Center, please refer to Section 3.3 "Property Investment" below.

(b) Australia

Harbourfront Balmain is a residential development of 121 apartments in Balmain, Sydney to be built on a 1.2-hectare site with 150 metres of waterfrontage. Harbourfront Balmain is jointly developed by the Group and the Toga Group. Harbourfront Balmain will comprise of eight low-rise buildings housing a range of one-, two- and three-bedroom apartments and terraces designed by Bates Smart architects. Harbourfront Balmain is expected to be completed in 2017.

3.3 PROPERTY INVESTMENT

The details of the Group's investment properties as at the Latest Practicable Date are as follows:

	Location	Group's effective interest	Tenure	Estimated net lettable area (sqm)	Number of units
Singapore					
Offices at Tanglin Shopping Centre	Orchard	100%	Freehold	553	4
Medical suites at Novena Medical Center	Novena	100%	Leasehold	2,786	37
Medical suites at Novena Specialist Center	Novena	100%	Leasehold	722	10
Australia					
Retail podium at Rendezvous Hotel Perth Scarborough	Perth	70%	Freehold	4,074	11

(a) **Singapore**

Tanglin Shopping Centre is a 12-storey office cum shopping complex located at Tanglin Road. The Group owns four office units in Tanglin Shopping Centre. The office units range in floor area from 122 to 158 sqm.

Novena Medical Center is located above the Novena MRT Station and connected by a link-bridge to Tan Tock Seng Hospital. Novena Medical Center is linked via underpasses to Novena Square, Velocity, United Square and Revenue House. Hospitals and healthcare institutions in the area include Mount Elizabeth Novena Hospital, Novena Surgery, Novena Specialist Center, Johns Hopkins International Medical Center, National Neuroscience Institute, Ren Ci Hospital and the upcoming Lee Kong Chian School of Medicine. In addition, Novena Medical Center has a memorandum of cooperation with Tan Tock Seng Hospital that enables patients easy access to their services and infrastructure.

Novena Specialist Center is a purpose-built medical facility, integrating modern facilities with state-of-the-art technology, greenery and water features, with a holistic approach to patient care. Novena Specialist Center contains modular units designed between 51 and 134 sqm.

(b) **Australia**

The Group owns the retail podium with shops to lease at Rendezvous Hotel Perth Scarborough.

3.4 INVESTMENT HOLDINGS

The Group has equity investments in businesses which are in line with its business strategy. These investments allow the Group to expand and enhance its current business segment offerings. As at the Latest Practicable Date, the Group has an approximately 33% interest in each of the REIT Manager and the Trustee-Manager.

4. COMPETITIVE STRENGTHS

The Group is of the view that it has the following competitive strengths:

(a) **Diversified business portfolio**

In addition to the Group's primary business of property development and property investment, the Group expanded into new complementary business lines in hospitality management and healthcare real estate segments. Through its joint ventures with STC and Toga that were completed in 2013, the Group's hospitality arm, FEHH, extended its reach beyond Singapore and Malaysia, into Australia, China, Denmark, Germany, Hungary and New Zealand. The Group also owns a portfolio of medical suites in Novena, Singapore. The Group's diversified business model provides greater resilience in its earnings and more stable sources of cash flows.

(b) **Established brand name and strong track record**

The Group has over 40 years of heritage and experience in the business of hospitality, property investment and property development. The Issuer is the listed hospitality and property arm of Far East Organization, one of Singapore's largest private property developers.

In the course of its operating history as a property developer, the Group has delivered a number of successful residential developments, such as Floridian which was awarded the FIABCI Singapore Property Awards 2013 – Residential (High Rise) Category as well as Regent Grove and Seasons View which were both awarded the Building and Construction Authority ("**BCA**") Construction Excellence Award (Merit) in 2003 and 2002 respectively. The FIABCI Singapore Property Award recognises excellence in real estate development projects or individual properties in terms of design, aesthetics, functionality, contribution to the built environment and community at large. It represents an outstanding achievement which developers, professionals and property owners aspire to attain. The BCA Construction Excellence Award recognises outstanding projects that have demonstrated construction excellence in the areas of management, technology and construction quality.

(c) Wide geographical reach

The Group is a global hospitality owner and operator with a network of hotels and serviced residences in Southeast Asia, China, Australia, New Zealand and Europe. This allows the Group to better serve its customers with a more diversified mix of accommodation choices across multiple locations and targeted segments.

(d) Experienced and committed management team

The Group has an experienced and committed management team with experience in finance, real estate and hospitality. The Group's management team is instrumental to the growth and development of the Group. The Group's management team has an in-depth knowledge of the industry and business and has over the years built up invaluable business relationships with key players within the industry. Led by a dynamic and hands-on management team, the Group believes it is able to maintain its competitive edge in the highly competitive business environment in which it operates.

(e) Good quality asset base

The Group identifies and undertakes strategic acquisition of assets to meet market demand. The Group's strategic acquisitions and investments will enable it to grow steadily in assets size through the years while maintaining overall financial prudence. The Group also enters into strategic partnerships while exercising cost discipline to achieve profitability on the projects.

5. GROWTH STRATEGIES

The growth strategies of the Group are as follows:

(a) Expand its footprint through strategic alliances

Where the opportunity arises, the Group intends to enter into strategic partnerships which will allow it to extend the geographical reach of its property and hospitality businesses, and to have an immediate opportunity to own assets or manage a portfolio of third party assets. The Group believes that such alliances will bring potential revenue enhancement opportunities, cost savings and greater operational efficiencies.

(b) Improve recurring income streams and growth

The Group intends to leverage on its expanded platform to continue growing beyond Singapore by operating more third party hospitality assets and engaging in more cross-selling initiatives between its brands and geographic markets. Through its partnerships with STC and Toga, the Group is able to combine its financial resources with strong like-minded partners to pursue more yield accretive acquisitions and growth opportunities in hospitality management business and hospitality-related assets.

In addition, the Group adopts an asset management strategy with respect to its hospitality portfolio and seeks to maximise the cash flow and value of the assets comprised in such portfolio. To this end, the Group will, as part of its ordinary course of business, source for and pursue acquisition opportunities that will provide potential for future income and capital growth, and at the same time, capitalise on divestment opportunities as and when the Group considers feasible in order to free up or recycle capital for re-deployment towards higher yielding growth opportunities.

(c) Optimise capital efficiency through asset management initiatives

In expanding its geographical footprint, the Group will seek to optimise capital efficiency by adopting the following approaches:

(i) *Portfolio management*

As and when an attractive opportunity arises, the Group will consider divesting its existing assets in order to realise capital gains and redeploy capital for new properties or asset classes which have better upside potential in terms of yield and capital appreciation.

(ii) *Increase earnings from management fees without a huge capital outlay*

As the Group seeks to expand its hospitality business, it will, as far as practicable, seek to enter into management contracts with property owners with a view to earning management fees without committing a huge capital outlay to acquire or develop such properties.

6. INSURANCE

As at the Latest Practicable Date, the Issuer has comprehensive insurance coverage which includes, but is not limited to, foreign workers' medical insurance, industrial all-risks insurance (for business interruption and property damage), key-man insurance, workmen injury compensation insurance, fidelity guarantee, public liability insurance, fire insurance and group personal accident insurance.

7. RECENT DEVELOPMENTS

The Group has on 29 January 2015 entered into a sale and purchase agreement to dispose of its interest in the following properties:

(i) 3/10th share in Lot 621K of Town Subdivision 29 situated at 7 Bassein Road, Singapore 309837, and

(ii) 3/10th share in Lot 45L of Town Subdivision 29 situated at 11 Bassein Road, Singapore 309839

(collectively, the "**Property**") to Transurban Properties Pte Ltd.

The sale consideration for the Property of S$38.1 million is payable in cash. It was arrived at on a willing-buyer and willing-seller basis after arm's length negotiations, taking into account the latest available valuation of the Property.

8. DIRECTORS AND MANAGEMENT OF THE ISSUER

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

Name	Position
Mr Koh Boon Hwee	Non-Executive Director, Chairman
Mr Lui Chong Chee	Group Chief Executive Officer and Managing Director
Mr Kiong Kim Hock Arthur	Executive Director
Mdm Ng Siok Keow	Non-Executive Director
Mdm Tan Siok Hwee	Non-Executive Director
Mr Heng Chiang Meng	Lead Independent Director
Mr Cheng Hong Kok	Independent Director
Ms Chua Kheng Yeng, Jennie	Independent Director
Mdm Ee Choo Lin Diana	Independent Director
Mr Ling Ang Kerng, Kelvin	Chief Financial Officer

Mr Koh Boon Hwee
Non-Executive Chairman

Mr Koh Boon Hwee was appointed as a Non-Executive Director and Chairman of the Board of Directors of the Issuer on 1 January 2013. As Mr Koh serves on various executive committees in Far East Organization, the Nominating Committee of the Issuer considers Mr Koh to be non-independent.

He started his career in 1977 at Hewlett Packard and rose to become its Managing Director in Singapore, a post he held from 1985 to 1990. From 1991 to 2000, he was Executive Chairman of the Wuthelam Group, and from 2002 to 2009, Mr Koh was at S i2i Limited (formerly known as MediaRing Ltd) where his last held position was Executive Director. He was responsible for overseeing the corporate strategy and management of these companies. Mr Koh has concurrently been with Sunningdale Tech Ltd (formerly known as Tech Group Asia Ltd) since 2003, where he oversaw the operations of the company as Executive Chairman and Chief Executive Officer from 2005 to 2008 as Non-Executive Chairman from 2008 to 2014, and now as Executive Chairman from 2015.

Mr Koh was also the Non-Executive Chairman of the Singapore Telecom Group (SingTel) and its predecessor organisations from 1986 to 2001. From 2001 to 2005, Mr Koh served as Non-Executive Chairman of Singapore Airlines Limited, and from 2005 to 2010 as Non-Executive Chairman of DBS Group Holdings Ltd and DBS Bank Ltd.

From 1996 to 2010, Mr Koh served on the board of Temasek Holdings Pte Ltd, and was a member of the Executive Committee from 1997 to 2010.

Mr Koh graduated from Imperial College with a Bachelor of Science (Mechanical Engineering), First Class Honours, in 1972, and obtained a Master in Business Administration with Distinction from Harvard Business School in 1976.

Mr Lui Chong Chee
Group Chief Executive Officer and Managing Director

Mr Lui Chong Chee was appointed as Executive Director as well as Chief Executive Officer and Managing Director of the Issuer from 1 September 2014.

Mr Lui has extensive financial and business leadership experience from major listed companies. He served as Chief Financial Officer of Raffles Medical Group Ltd, where he was responsible for the financial management, business development and IT functions. During his time with the CapitaLand Group, he held various senior management positions, including Group Chief Financial Officer of CapitaLand Limited; Chief Executive Officer of CapitaLand Residential Limited; and Chief Executive Officer of CapitaLand Financial Limited. He also held various posts as Director in various listed companies with the CapitaLand Group, and was the Chairman of Australand Holdings Limited, which was listed in the Australian bourse. Prior to joining the CapitaLand Group, Mr Lui was Managing Director and Senior Vice President, Capital Markets Group of Citicorp Investment Bank (Singapore) Limited.

Mr Lui received a Bachelor of Science in 1985 in Business Administration (magna cum laude) from New York University, USA, as well as a Master of Business Administration in 1986 in Finance and International Economics. In 2005, he attended the Advanced Management Program at Harvard Business School.

Kiong Kim Hock Arthur
Executive Director

Mr Kiong Kim Hock Arthur was appointed Executive Director and Chief Executive Officer of the hospitality business of the Issuer on 1 September 2012.

From 2008 to 2012, Mr Kiong was the Managing Director of Hotel Operation (Asia Pacific & China) and Senior Vice President of Group Marketing Services at Banyan Tree Hotels & Resorts. He was the Director of Far East Hospitality Business Group from August 2005 to 2007. Mr Kiong was Vice-President of Marketing (Asia Pacific) for the Peninsula Group based in Hong Kong from 2002 to 2005, where he was responsible for the marketing functions in Head Office and sales performance of the hotels outside the United States.

Mr Kiong has over 20 years of hotel industry experience having held operations, sales and marketing roles for various hotels in Asia and the United States including The Peninsula Hotels, the Mandarin Oriental Hong Kong, The Ritz-Carlton, Hyatt International, Westin Hotels and Banyan Tree Hotels & Resorts.

Mdm Ng Siok Keow
Non-Executive Director

Mdm Ng Siok Keow was appointed as an Executive Director of the Issuer on 6 August 1987 and was re-designated as a Non-Executive Director on 5 March 2014. As she is directly associated with Far East Organisation Pte Ltd, which is a substantial shareholder of the Issuer, she is considered by the Nominating Committee of the Issuer to be non-independent.

Mdm Ng is an Executive Director of Far East Organization and a director of various unlisted companies in the Far East Organization Group. She also serves as a director of Jurong Health Services Pte Ltd, which is the holding company of the Ng Teng Fong General Hospital in Singapore. She is a Patron of the Cairnhill Community Club and Bukit Timah Community Club, and was the Chairman of the Management Committee of Cairnhill

Community Club from June 1994 to June 2007. She was also a Director of Singapore Symphonia Company Ltd. She was a Director of the Singapore Dance Theatre from 1999 to 2003 and a Resource Panel Member of the Government Parliamentary Committee (National Development) from 2001 to 2002.

Mdm Ng was awarded the Pingat Bakti Masyarakat (PBM) in 1995, the Orchid Award by the Singapore Girl Guides Association in 1996 and the Bintang Bakti Masyarakat (BBM) in 2001. In 2015, Mdm Ng was conferred the SG50 Outstanding Chinese Business Pioneers Award by the Singapore Chinese Chamber of Commerce & Industry in recognition of her exemplary contribution to Singapore in the real estate arena and to the community.

Mdm Ng obtained her Bachelor of Science (Honours) degree in Chemistry from the University of Singapore.

Mdm Tan Siok Hwee
Non-Executive Director

Mdm Tan Siok Hwee was appointed as an Executive Director of the Issuer on 6 August 1987 and she was re-designated as a Non-Executive Director on 5 March 2014. She is an Executive Director of Far East Organization and also serves as director of various non-listed companies in the Far East Organization Group. As she is directly associated with Far East Organisation Pte Ltd, which is a substantial shareholder of the Issuer, she is considered by the Nominating Committee of the Issuer to be non-independent.

Mdm Tan obtained her Bachelor of Accountancy degree from the University of Singapore in 1973 and is a Certified Public Accountant. She has been a member of the Institute of Singapore Chartered Accountants since 1976.

Mr Heng Chiang Meng
Lead Independent Director

Mr Heng Chiang Meng was appointed Non-Executive Director of the Issuer on 19 June 1998. In 2008, Mr Heng was appointed as Lead Independent Director of the Issuer. He was appointed as the Chairman of the Remuneration Committee and Nominating Committee on 9 March 2011 and 29 April 2011 respectively. Mr Heng, who has served on the Board for more than 9 years, is considered independent by the Nominating Committee because he has continued to demonstrate strong independence in character and judgment and has contributed effectively as an Independent Director by providing impartial and autonomous views.

In his corporate career spanning over 30 years, Mr Heng held senior positions in several financial institutions including Citibank NA, MAS and Overseas Union Bank Limited. His other major area of experience is in real estate, having been the Managing Director of First Capital Corporation Limited, the Executive Director in the Far East Organization Group, and the Group Managing Director of Lim Kah Ngam Limited.

He also served four terms as a Member of Parliament from 1984 to 2001 during which he chaired the Government Parliamentary Committees for Communications and the Environment as well as the Ang Mo Kio-Cheng San Community Development Council and the Cheng San Town Council.

Mr Heng holds a Bachelor of Business Administration (Honours) degree from the University of Singapore.

Mr Cheng Hong Kok
Independent Director

Mr Cheng Hong Kok was appointed Non-Executive Director of the Issuer on 30 May 1996. Mr Cheng, who has served on the Board for more than 9 years, is considered independent by the Nominating Committee because he has continued to demonstrate strong independence in character and judgment and has contributed effectively as an Independent Director by providing impartial and autonomous views.

Mr Cheng is currently a Director of SP Corporation Limited, a Singapore-listed company. He was also a Director of Gul Technologies Singapore Ltd, from which he stepped down after its successful voluntary delisting from the Singapore Exchange in January 2013. Mr Cheng was a Director and an Executive Committee member of Singapore Petroleum Company Limited ("**SPC**") from 1999 to 2009. Prior to that, he was the President and Chief Executive Officer of SPC from 1981 to 1996. Through SPC, he was involved in the Asean Council on Petroleum for many years. He was also a board member of the Singapore Economic Development Board from 1987 to 1990 and was a member of the Government Economic Planning Committee from 1989 to 1991.

Mr Cheng graduated from the University of London in 1964 with First Class Honours degree in Chemical Engineering and attended the Advanced Executive Management Program at the Kellogg Graduate School of Management, Northwestern University, the United States, in 1981. In 1961, he was awarded the Singapore State Scholarship, the Colonial Welfare and Development Scholarship and the University of Malaya Entrance Scholarship. He was also awarded the University of Cambridge Fellowship and the Eisenhower Fellowship in 1964 and 1979 respectively.

Ms Chua Kheng Yeng, Jennie
Independent Director

Ms Chua was appointed to the Board of Directors of the Issuer as an Independent Director on 1 January 2014. On 1 April 2014, she was appointed as a Member of the Audit & Risk Committee and a Member of the Nominating Committee of the Issuer. The Nominating Committee considers Ms Chua to be an Independent Director.

Ms Chua brings with her over 40 years of international experience in the tourism and hospitality industry. Ms Chua is a Director of two other entities listed on the SGX-ST – GuocoLeisure Limited and GuocoLand Limited. She is a Director of ISS A/S, a company listed on NASDAQ OMX Copenhagen stock exchange.

She is currently the Chairman of Alexandra Health Pte Ltd, Alexandra Health System Pte Ltd, WoodlandsHealth Pte Ltd, Yishun Community Hospital Pte Ltd, Geriatric Education & Research Institute Limited and GLH Management Group Pte Ltd. She is also the Deputy Chairman of Temasek Foundation CLG Limited.

She is Singapore's Non-Resident Ambassador to the United Mexican States.

She is a Director of MOH Holdings Pte Ltd and The Singapore Chinese Girls' School.

She is a Member of the Advisory Board of the Latin American Chamber of Commerce-Singapore, a member of Singapore's Pro-Enterprise Panel and a member of MOH Holdings Healthcare Infrastructure and Planning Committee.

She is a Justice of the Peace, a Director on CapitaLand's Hope Foundation and an Adviser to the Community Chest.

She was formerly President and Chief Executive Officer of Raffles Holdings Ltd, Chairman of Raffles International Limited, President and Chief Executive Officer of The Ascott Group Limited, a Director of Ascott Residence Trust Management Limited, the Chief Corporate Officer of CapitaLand Limited, Chairman of the Singapore International Chamber of Commerce and Singapore's Non-Resident Ambassador to The Slovak Republic.

Awards and accolades which she had received include four Singapore National Day Awards, including the Meritorious Service Medal conferred in 2014, President's Volunteerism & Philanthropy Awards 2012 (President's Special Recognition Award), the Outstanding Contribution to Tourism Award 2006, Women's World Excellence Awards 2006, Travel Personality of the Year Award 2005, NTUC Medal of Commendation 2005, Bloomberg Business Week Magazine 25 Stars of Asia Award 2003, Asia Pacific (Hotel) 2002 Person of the Year, National Productivity Award 2002, Pacific Area Travel Writers Association Hall of Fame 2000, Hotelier of the Year 1999, Woman of the Year 1999, Champion of the Arts 1999 and Independent Hotelier of the World 1997.

Ms Chua graduated from Cornell University's School of Hotel Administration.

Mdm Ee Choo Lin Diana
Independent Director

Mdm Ee was appointed to the Board of Directors of the Issuer as an Independent Director and Member of the Audit & Risk Committee on 29 April 2011. On 1 June 2011, she was appointed as a Member of the Remuneration Committee of the Issuer. The Nominating Committee considers Mdm Ee to be an independent Director.

Mdm Ee has over 25 years of international experience in the tourism and hospitality industry. She held senior leadership positions at Raffles International Limited managing multi-hotel brands and gained broad experience in the areas of business management, sales and marketing, operations, technical services, quality assurance management, human resources and organisational development. She was formerly President of Raffles Hotels & Resorts where she held responsibilities for the operating and financial performance of its hotels spanning Southeast Asia, China, the United States, Middle East and Europe.

Mdm Ee obtained her Bachelor of Arts degree in Economics from the National University of Singapore.

Mr Ling Ang Kerng, Kelvin
Chief Financial Officer

Mr Ling Ang Kerng, Kelvin was appointed Chief Financial Officer of the Issuer on 1 January 2014. He is responsible for business ventures, strategic partnerships, and overall financial matters of the Group.

Mr Ling was previously the Chief Operating Officer of the Retail Business Group at Far East Organization ("**FEO**"). In other senior roles, Mr Ling had spearheaded the implementation of shared services including the consolidation of accounting functions across FEO's hospitality portfolio, identifying and implementing business solutions to drive financial discipline and enhance the assets' financial performance. He also launched the restaurant and franchised food arm of FEO, Kitchen Language, in 2008 to bring new food concepts and brands to Singapore.

Prior to joining FEO, Mr Ling spent over 20 years in finance and operations in professional and commercial business environments including The Oriental Singapore, Pontiac Marina, Coopers & Lybrand and various insurance companies. He was also involved in incubating services for start-ups at PwC Consultants Singapore.

Mr Ling is a member of the Institute of Singapore Chartered Accountants, and a Fellow of the Association of Chartered Certified Accountants.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set out the selected unaudited financial information of the Group as at 31 December 2014 and the selected audited financial information of the Group as at 31 December 2013 and 31 December 2012 (restated) and for each of the financial years then ended. The selected financial information should be read in conjunction with the audited consolidated financial statements for FY 2013 and the unaudited consolidated financial statements for FY 2014 announced by the Issuer on 27 February 2015, which appear in Appendices II and III respectively of this Information Memorandum. Certain comparative figures in the selected financial information have been reclassified to conform to current year presentation.

Change in accounting policies

The Group has early adopted the following new and amended standards, together with the consequential amendments to other Singapore Financial Reporting Standards ("**FRS**"), since FY 2013.

- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 27 *Separate Financial Statements*
- FRS 28 *Investments in Associates and Joint Ventures*

The adoption of the new and amended standards did not result in substantial changes in the accounting policies of the Group and disclosures in the financial statements except for the adoption of FRS 111 *Joint Arrangements*. The effects of the change in accounting policies arising from the adoption of FRS 111 on the balance sheet, statement of comprehensive income and the cash flows of the Group at 1 January 2012 and 31 December 2012 were summarised in the audited consolidated financial statements for FY 2013. The changes in accounting policies had no impact on earnings per share.

Consolidated profit or loss accounts

	FY 2014 (unaudited) S$'000	**FY 2013 (audited) S$'000**	**FY 2012 (restated) S$'000**
Sales	315,537	158,569	75,176
Cost of sales	(231,110)	(114,040)	(37,721)
Gross profit	84,427	44,529	37,455
Other income	3,896	3,099	1,541
Other gains – net	3,634	11,004	121,539
Expenses			
– Distribution and marketing	(11,672)	(8,007)	(6,659)
– Administrative	(27,550)	(15,519)	(13,234)
– Finance	(4,321)	(812)	(3,659)
– Other	(8,102)	(20,473)	(4,406)
Share of results of			
– joint ventures accounted for using equity method	5,797	4,120	24,157
– associated companies	2,649	3,108	32,618
Profit before income tax	48,758	21,049	189,352
Income tax (expense)/credit	(13,279)	463	1,403
Net profit	35,479	21,512	190,755
Net profit attributable to:			
Equity holders of the Company	35,498	29,385	190,755
Non-controlling interests	(19)	(7,873)	–
	35,479	21,512	190,755

Consolidated statements of financial position

	31 December 2014 (unaudited) S$'000	31 December 2013 (audited) S$'000	31 December 2012 (restated) S$'000
ASSETS			
Current assets			
Cash and cash equivalents	98,386	264,975	450,820
Trade and other receivables	81,376	67,278	17,019
Inventories	666	857	60
Development properties	38,691	40,365	101,972
Properties held for sale	123,863	140,417	149,470
	342,982	513,892	719,341
Non-current assets			
Investments in associated companies	8,424	7,812	5,268
Investments in joint ventures	241,107	282,167	132,559
Other receivables	221,131	73,617	33,482
Investment properties	315,598	304,475	264,401
Property, plant and equipment	592,537	588,204	392,539
Intangible assets	151,506	155,907	129,385
Deferred income tax assets	1,413	4,765	–
	1,531,716	1,416,947	957,634
Total assets	1,874,698	1,930,839	1,676,975
LIABILITIES			
Current liabilities			
Trade and other payables	127,408	140,577	109,412
Current income tax liabilities	7,519	4,761	3,188
Borrowings	86,264	–	–
Provisions	5,923	8,268	–
	227,114	153,606	112,600
Non-current liabilities			
Other payables	406,687	503,265	409,951
Deferred income tax liabilities	27,481	17,371	16,211
Borrowings	19,476	89,415	38,163
Provisions	12,706	14,982	–
	466,350	625,033	464,325
Total liabilities	693,464	778,639	576,925
NET ASSETS	1,181,234	1,152,200	1,100,050
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	439,617	420,616	394,612
Revaluation and other reserves	340,003	344,451	334,185
Retained profits	389,796	377,691	371,253
	1,169,416	1,142,758	1,100,050
Non-controlling interests	11,818	9,442	–
TOTAL EQUITY	1,181,234	1,152,200	1,100,050

Financial Review of FY 2014 versus FY 2013

Income Statement Review

Revenue of the Group for FY 2014 was S$315.5 million and this was S$157.0 million higher than FY 2013.

Revenue from the hospitality division increased by S$115.9 million to S$212.0 million for FY 2014. The increase was mainly due to the full year results from the hospitality businesses acquired from STC on 1 November 2013.

Revenue from the property development division increased by S$40.2 million compared with FY 2013. The increase came mainly from recognition of higher revenue from the euHabitat project with higher incremental percentage of completion as well as more medical suites sold as compared with FY 2013.

Gross profit of the Group for FY 2014 was S$84.4 million and this was S$39.9 million higher than FY 2013. The increase was mainly attributable to the newly acquired hospitality businesses and contribution from the euHabitat project.

Other income of the Group for FY 2014 was S$3.9 million, S$0.8 million higher than FY 2013. This was mainly due to the increase in interest income on the advances to joint ventures.

The Group recognised net other gains of S$3.6 million for FY 2014, S$7.4 million lower than FY 2013. This was mainly due to the decrease in fair value gains on investment properties and the increase in currency translation losses due to the weakening of the Australian Dollar.

Total distribution and marketing, administrative, finance and other expenses of the Group for FY 2014 were S$51.6 million. This was S$6.8 million higher than FY 2013. The increase in expenses was mainly due to the full year results from the hospitality businesses acquired from STC on 1 November 2013.

The Group's share of results of joint ventures for FY 2014 comprised mainly the results of the joint venture with Toga, and the five-month results of the European assets jointly acquired with Toga.

The Group's share of results of associated companies for FY 2014 and FY 2013 came mainly from the Group's interest in the REIT Manager of Far East Hospitality Trust.

Income tax expense of the Group for FY 2014 was higher than FY 2013 mainly due to higher taxable profits for FY 2014 and income tax credit for FY 2013. The income tax credit was mainly attributable to the recognition of deferred tax assets in a subsidiary.

As a result of the above, the Group reported a net profit of S$35.5 million for FY 2014 and this was S$14.0 million higher than FY 2013.

Statement of Financial Position Review

Cash and cash equivalents decreased S$166.6 million to S$98.4 million as at 31 December 2014 mainly due to advances to a joint venture being the Group's share of payment for the land parcel at Woodlands Square as well as new and additional investments in joint ventures to acquire hospitality assets in Australia and Europe. This resulted in the increase in other non-current receivables and investments in joint ventures accordingly.

Trade and other receivables increased S$14.1 million to S$81.4 million as at 31 December 2014 mainly due to the progressive recognition of profit from the euHabitat project.

Properties held for sale decreased S$16.6 million to S$123.9 million as at 31 December 2014 due to the sale of medical suites during the year.

Investments in joint ventures decreased S$41.1 million to S$241.1 million as at 31 December 2014. This came mainly from the share capital reduction of a joint venture using the advances from the joint venture which resulted in a corresponding decrease in other non-current payables. The decrease was partially offset by the investments in joint ventures with Toga during the year.

Deferred income tax assets decreased S$3.4 million to S$1.4 million as at 31 December 2014 mainly due to the deferred income tax liabilities recognised on the profit recognition from the euHabitat project.

Deferred income tax liabilities increased S$10.1 million to S$27.5 million as at 31 December 2014 mainly due to net revaluation gains on property, plant and equipment.

Total borrowings increased S$16.3 million to partially fund the Group's investments in joint ventures with Toga during the year.

Current income tax liabilities increased S$2.8 million to S$7.5 million as at 31 December 2014 mainly due to current income tax expense incurred and offset by payments made during FY 2014.

Total provisions related to certain onerous lease agreements of the hospitality businesses acquired from STC decreased S$4.6 million to S$18.6 million as at 31 December 2014 due to the utilisation of S$8.1 million and additional provisions of S$3.7 million recognised during FY 2014.

Financial Review of FY 2013 versus FY 2012

Income Statement Review

Revenue of the Group for FY 2013 was S$158.6 million and was S$83.4 million (110.9%) higher than FY 2012.

Revenue from the property development division increased $50.0 million to S$54.1 million for FY 2013. This was due to the progressive recognition of revenue from the euHabitat project as well as the sales of more medical units during the year. As a result of the change in accounting policy for the Group's investments in joint ventures, contributions from joint ventures are now accounted for using the equity method. Hence, the restated revenue figure for FY 2012 did not include the contribution from the Floridian project in the property development division.

Revenue from the hospitality division also increased S$35.5 million to S$96.1 million for FY 2013. This was due to the newly acquired hospitality business from STC on 1 November 2013 as well as the full year effect of the hospitality management business acquired as part of the restructuring in August 2012.

Gross profit of the Group for FY 2013 was S$44.5 million and was S$7.1 million (18.9%) higher than FY 2012.

This was mainly attributable to the higher contribution from the property development division due to the progressive recognition of profit from the euHabitat project. This was offset by the lower contribution from the hospitality division as the Group no longer derives profits from the hospitality assets that were injected into the Far East Hospitality Trust in August 2012.

Other net gains of the Group for FY 2013 were S$11.0 million and were S$110.5 million lower than FY 2012. This was mainly attributable to net gains in FY 2012 from the REIT and Asset Swap Transactions. This was offset by the higher fair value gains on investment properties compared to FY 2012.

Total distribution and marketing, administrative, finance and other expenses of the Group for FY 2013 were S$44.8 million and were S$16.9 million (60.3%) higher than FY 2012. The increase was mainly attributable to acquisition-related costs; such as stamp duties and professional fees, as well as the increase in rental expenses and staff costs as compared to FY 2012.

The Group's share of results of joint ventures for FY 2013 comprised mainly the result of the Toga joint venture, for the period from 7 August to 31 December 2013.

The Group's share of results of joint ventures for FY 2012 comprised mainly the result of Orwin Development Limited – the joint venture for the Floridian project.

The Group's share of results of associated companies for FY 2013 comprised mainly the result of FEO Hospitality Asset Management Pte. Ltd. – the REIT Manager of Far East Hospitality Trust.

The Group's share of results of associated companies for FY 2012 comprised mainly the result of YHS, for the period from 1 January to 26 August 2012, as the Group fully divested its entire investment in YHS as part of the restructuring on 27 August 2012.

The Group had an income tax credit for FY 2013. This was mainly attributable to the recognition of deferred tax assets in a subsidiary.

The Group reported a net profit of S$21.5 million for FY 2013 as compared to S$190.8 million for FY 2012. The net profit for FY 2012 included the one-time net gains from the REIT and asset swap transactions of S$115.4 million and the share of result of YHS of S$31.8 million.

Statement of Financial Position Review

Cash and cash equivalents decreased S$185.8 million to S$265.0 million as at 31 December 2013. This was mainly due to the disbursement of the initial subscription amount for the Toga joint venture and the Issuer cash contribution for the transactions with STC as well as the payment of dividends during the year.

Trade receivables increased S$45.8 million to S$56.1 million as at 31 December 2013. This was mainly due to progressive recognition of profit from the euHabitat project and the newly acquired hospitality business from STC.

Development properties decreased S$61.6 million to S$40.4 million as at 31 December 2013. This was mainly due to the transfers to cost of sales from progressive recognition of profit from the euHabitat project.

Other receivables increased S$44.6 million to S$84.8 million as at 31 December 2013. This was mainly attributable to advances to Watervine Homes Pte. Ltd. – the joint venture for the RiverTrees Residences project during the year.

Investments in associated companies increased S$2.5 million to S$7.8 million as at 31 December 2013. This came mainly from the Group's share of profit of FEO Hospitality Asset Management Pte. Ltd. – the REIT Manager of Far East Hospitality Trust.

Investments in joint ventures increased S$149.6 million to S$282.2 million as at 31 December 2013. This was mainly due to the Group's investment in the Toga joint venture and the Group's share of its result.

Investment properties increased S$40.1 million to S$304.5 million as at 31 December 2013. This was mainly due to the acquisition of the retail component of the Rendezvous Grand Hotel Perth Scarborough in conjunction with the newly acquired hospitality assets from STC as well as the fair value gains on the existing properties during the year.

Property, plant and equipment increased S$195.7 million to S$588.2 million as at 31 December 2013. This was mainly due to the acquisition of the three hotels in Australia in conjunction with the newly acquired hospitality business from STC as well as the increase in the construction-in-progress for redevelopment of Plaza Atrium to Oasia Residences Kuala Lumpur.

Intangible assets increased S$26.5 million to S$155.9 million as at 31 December 2013. This was mainly attributable to the lease and management contracts as well as the goodwill that arose from the acquisition of the hospitality business from STC.

Deferred income tax assets are mainly related to the recognition of tax benefits from tax losses carried forward in a subsidiary during the year, to the extent that the realisation of the related tax benefits through future taxable profits is probable.

Total trade and other payables increased S$124.5 million to S$643.8 million as at 31 December 2013. This was mainly due to loans from non-controlling interest.

Current income tax liabilities increased S$1.6 million to S$4.8 million as at 31 December 2013. The increase came from the current income tax expense incurred during the year.

Provisions relate to certain onerous lease contracts acquired in conjunction with the newly acquired hospitality business from STC.

Borrowings increased S$51.3 million to S$89.4 million as at 31 December 2013. This was mainly attributable to the borrowings that were novated to the Group in relation to the acquisition of the hospitality business from STC.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for general corporate purposes, including refinancing existing borrowings, financing investments and/or acquisitions, general working capital and capital expenditure requirements of the Issuer or its subsidiaries or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

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

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

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

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

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

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and

Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. 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 Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes 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 Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

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

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

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

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 20.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties. Pursuant to the Singapore Budget 2015, it was announced that the highest marginal tax rate for Singapore-resident individuals will be increased to 22.0% with effect from the year of assessment 2017. It is therefore possible that the above-mentioned withholding tax rate for non-resident individuals may similarly be increased from 20.0% to 22.0%.

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

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

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

In addition, as the Programme as a whole is arranged by Oversea-Chinese Banking Corporation Limited, which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by MAS on 28 June 2013 (the "**MAS Circular**"), qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

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

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

(iii) subject to:

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

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

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

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

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

(i) any related party of the Issuer; or

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

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

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

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

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

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

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

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

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

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

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

(aa) any related party of the Issuer; or

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

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

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

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

2. Capital Gains

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

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

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

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

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

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

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

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third party commissions including, without limitation, rebates to private bank investors in the Notes. The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe, or procure subscribers, for Notes from the Issuer pursuant to the Programme Agreement.

United States

The Notes have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this section have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer that is not participating in the offering of such Notes may violate the registration requirements of the Securities Act.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, 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 Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

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

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes or a supplement to this Information Memorandum).

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional adviser(s) and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of each of the Directors are set out below:

Name	Position
Koh Boon Hwee	Non-Executive Director, Chairman
Lui Chong Chee	Group Chief Executive Officer and Managing Director
Kiong Kim Hock Arthur	Executive Director
Ng Siok Keow	Non-Executive Director
Tan Siok Hwee	Non-Executive Director
Heng Chiang Meng	Lead Independent Director
Cheng Hong Kok	Independent Director
Chua Kheng Yeng, Jennie	Independent Director
Ee Choo Lin Diana	Independent Director

2. Save as disclosed below, the Directors are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer:

   (a) Ng Siok Keow is directly associated with Far East Organisation Pte. Ltd., which is a substantial shareholder of the Issuer. Ng Siok Keow is a director of Far East Organisation Pte. Ltd. and various unlisted companies in the Far East Organization group of companies; and

   (b) Tan Siok Hwee is directly associated with Far East Organisation Pte. Ltd., which is a substantial shareholder of the Issuer. Tan Siok Hwee is a director of various unlisted companies in the Far East Organization group of companies.

3. No Director of the Issuer is or was involved in any of the following events:

   (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;

   (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or

   (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

4. As at the Latest Practicable Date, no option to subscribe for shares in, or debentures of, the Issuer has been granted to, or was exercised by, any Director or employees of the Issuer.

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

Directors

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Ng Siok Keow	14,469	*	77,038	*

Note:

* negligible

Substantial Shareholders

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Far East Organisation Pte Ltd	239,770,297	59.85	–	–
The Estate of Khoo Teck Puat, deceased(1)	10,543,400	2.63	10,407,600	2.60
Tan Kim Choo(2)	224,659	0.06	239,770,297	59.85
The Estate of Ng Teng Fong, deceased(3)	–	–	239,770,297	59.85

Notes:

(1) The Estate of Khoo Teck Puat, deceased, is deemed to be interested in the shares held by Daiwa (Malaya) Private Limited, Goodwood Park Hotel Limited, Hotel Holdings (Private) Limited, Industrial Syndicate (Private) Ltd., Kim Eng Securities Pte. Ltd., Leo Investments Corpn S B and Luxor Hotel Limited.

(2) Mdm Tan Kim Choo is deemed to be interested in the shares of the Issuer held by Far East Organisation Pte. Ltd. through her 50% shareholding in the issued share capital of Far East Organisation Pte. Ltd.

(3) The Estate of Ng Teng Fong, deceased, is deemed to be interested in the shares of the Issuer held by Far East Organisation Pte. Ltd. through the Estate's 50% shareholding in the issued share capital of Far East Organisation Pte. Ltd.

SHARE CAPITAL

6. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Articles of Association of the Issuer.

7. Save as disclosed below, no debentures or shares of the Issuer have been issued or are proposed to be issued, as fully or partly paid up, for cash or for a consideration other than cash, within the two years preceding the date of this Information Memorandum.

(a) On 28 June 2013, the Issuer issued 7,437,702 new shares in lieu of dividends pursuant to its scrip dividends scheme in respect of the dividends declared for FY2012.

(b) On 30 June 2014, the Issuer issued 10,674,582 new shares in lieu of dividends pursuant to its scrip dividends scheme in respect of dividends declared for FY2013.

8. The issued share capital of the Issuer as at the Latest Practicable Date is as follows:

Share Designation	Issued Share Capital	
	Number of Shares	Amount (S$'000)
Ordinary Shares	400,587,031	439,617

BORROWINGS

9. Save as disclosed in Appendix III, the Group had as at 31 December 2014 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

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

CHANGES IN ACCOUNTING POLICIES

11. Save as disclosed in the section "Selected Consolidated Financial Information", there has been no significant change in the accounting policies of the Issuer since its audited consolidated financial statements for the financial year ended 31 December 2013.

LITIGATION

12. There are no legal or arbitration proceedings pending or threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group.

MATERIAL ADVERSE CHANGE

13. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 December 2014.

CONSENT

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

DOCUMENTS AVAILABLE FOR INSPECTION

15. Copies of the following documents may be inspected at the registered office of the Issuer at 1 Tanglin Road #05-01, Orchard Parade Hotel, Singapore 247905 during normal business hours:

    (a) the Memorandum and Articles of Association of the Issuer;

(b) the Trust Deed;

(c) the letter of consent referred to in paragraph 14 above;

(d) the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 31 December 2013; and

(e) the unaudited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 31 December 2014.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FAR EAST ORCHARD LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The information in this Appendix II has been reproduced from the audited consolidated financial statements of Far East Orchard Limited and its subsidiaries for the financial year ended 31 December 2013 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

FAR EAST ORCHARD LIMITED
(Incorporated in Singapore. Registration Number: 196700511H)
AND ITS SUBSIDIARIES

ANNUAL REPORT
For the financial year ended 31 December 2013

FAR EAST ORCHARD LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES

ANNUAL REPORT
For the financial year ended 31 December 2013

Contents

DIRECTORS' REPORT

For the financial year ended 31 December 2013

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2013 and the balance sheet of the Company as at 31 December 2013.

Directors

The directors of the Company in office at the date of this report are as follows:

Mr Koh Boon Hwee
Mr Lucas Chow Wing Keung
Mr Kiong Kim Hock Arthur
Mdm Ng Siok Keow
Mdm Tan Siok Hwee
Mr Cheng Hong Kok
Mr Heng Chiang Meng
Ms Chua Kheng Yeng, Jennie (appointed on 1 January 2014)
Mdm Ee Choo Lin Diana

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which director is deemed to have an interest	
	At 31.12.2013	At 1.1.2013	**At 31.12.2013**	At 1.1.2013
Company				
(No. of ordinary shares)				
Mdm Ng Siok Keow	**14,469**	14,469	**77,038**	72,346
Yeo Hiap Seng Limited				
(No. of ordinary shares)				
Mdm Ng Siok Keow	**3,195**	3,195	**15,978**	15,978

Directors' interests in shares or debentures (continued)

(b) The directors' interests in the ordinary shares of the Company as at 21 January 2014 were the same as those as at 31 December 2013.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors have employment relationships with related corporations of the ultimate holding company, and have received remuneration in those capacities.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

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

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Mr Cheng Hong Kok (Chairman)
Mr Heng Chiang Meng
Mdm Ee Choo Lin Diana

All members of the Audit Committee were independent non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act.

Audit Committee (continued)

The Audit Committee meets periodically with management, the internal auditor and the Company's independent auditor to discuss the scope and results of the internal and statutory audits, financial and operating results, internal controls, assistance given by the Company's management to the independent auditor, accounting policies and other significant matters, including the financial statements that accompany this report.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the independent auditor to satisfy itself that the nature and extent of such services will not prejudice their independence and objectivity before confirming their re-nomination.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

LUCAS CHOW WING KEUNG	KIONG KIM HOCK ARTHUR
Director	Director

STATEMENT BY DIRECTORS
For the financial year ended 31 December 2013

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 6 to 106 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended;

(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; and

(c) based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, were adequate as at 31 December 2013.

On behalf of the directors

LUCAS CHOW WING KEUNG Director	KIONG KIM HOCK ARTHUR Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAR EAST ORCHARD LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Far East Orchard Limited (the "Company") and its subsidiaries (the "Group") set out on pages 6 to 106, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2013, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore,

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2013

	Note	2013 $'000	2012 (restated) $'000
Sales	4	**158,569**	75,176
Cost of sales		**(113,839)**	(37,721)
Gross profit		**44,730**	37,455
Other income	7	**3,099**	1,541
Other gains - net	8	**12,463**	121,539
Expenses			
- Distribution and marketing		**(8,007)**	(6,659)
- Administrative		**(15,519)**	(13,234)
- Finance	9	**(2,271)**	(3,659)
- Other		**(20,674)**	(4,406)
Share of results of			
- joint ventures accounted for using equity method	18	**4,120**	24,157
- associated companies	17	**3,108**	32,618
Profit before income tax		**21,049**	189,352
Income tax credit	10(a)	**463**	1,403
Net profit		**21,512**	190,755
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value losses	31(b)(v)	**(5,814)**	-
- Reclassification	31(b)(v)	**5,814**	-
Share of other comprehensive (loss)/income of			
- joint ventures accounted for using equity method		**(426)**	-
- associated companies		**(564)**	28,218
Reclassification to profit or loss on partial disposal of an associated company		**-**	(53,642)
Currency translation losses arising from consolidation		**(7,744)**	(230)
		(8,734)	(25,654)
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gains on property, plant and equipment	31(b)(i)	**6,630**	3,212
Tax (charge)/credit relating to revaluation gains/losses	29	**(315)**	153
Reversal of deferred tax liability on realisation of asset revaluation surplus	31(b)(i)	**-**	21,893
Other comprehensive loss, net of tax		**(2,419)**	(396)
Total comprehensive income		**19,093**	190,359

The accompanying notes form an integral part of these financial statements.

FAR EAST ORCHARD LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2013

	Note	**2013**	2012 (restated)
		$'000	$'000
Net profit attributable to:			
Equity holders of the Company		**29,385**	190,755
Non-controlling interests		**(7,873)**	-
		21,512	190,755
Total comprehensive income attributable to:			
Equity holders of the Company		**29,094**	190,359
Non-controlling interests		**(10,001)**	-
		19,093	190,359
Basic and diluted earnings per share for net profit attributable to equity holders of the Company (cents per share)	11	**7.61**	51.47

The accompanying notes form an integral part of these financial statements.

FAR EAST ORCHARD LIMITED
AND ITS SUBSIDIARIES

BALANCE SHEET - GROUP
As at 31 December 2013

	Note	**2013**	31 December 2012 (restated)	1 January 2012 (restated)
		$'000	$'000	$'000
ASSETS				
Current assets				
Cash and cash equivalents	12	**264,975**	450,820	17,394
Trade and other receivables	13	**67,278**	17,019	6,133
Inventories	14	**857**	60	73
Development properties	15	**40,365**	101,972	96,269
Properties held for sale	16	**140,417**	149,470	-
		513,892	719,341	119,869
Non-current assets				
Investments in associated companies	17	**7,812**	5,268	356,225
Investments in joint ventures	18	**282,167**	132,559	246,005
Other receivables	20	**73,617**	33,482	36,802
Investment properties	21	**304,475**	264,401	166,915
Property, plant and equipment	22	**588,204**	392,539	696,944
Intangible assets	23	**155,907**	129,385	-
Deferred income tax assets	29	**4,765**	-	-
		1,416,947	957,634	1,502,891
Total assets		**1,930,839**	1,676,975	1,622,760
LIABILITIES				
Current liabilities				
Trade and other payables	24	**133,051**	102,615	42,792
Deferred income	25	**7,526**	6,797	-
Current income tax liabilities	10	**4,761**	3,188	7,655
Borrowings	26	**-**	-	196,058
Provisions	27	**8,268**	-	-
		153,606	112,600	246,505
Non-current liabilities				
Other payables	28	**179,377**	79,266	38,468
Deferred income	25	**323,888**	330,685	-
Deferred income tax liabilities	29	**17,371**	16,211	24,948
Borrowings	26	**89,415**	38,163	227,700
Provisions	27	**14,982**	-	-
		625,033	464,325	291,116
Total liabilities		**778,639**	576,925	537,621
NET ASSETS		**1,152,200**	1,100,050	1,085,139
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	30	**420,616**	394,612	372,063
Revaluation and other reserves	31	**344,451**	334,185	526,024
Retained profits	32	**377,691**	371,253	187,052
		1,142,758	1,100,050	1,085,139
Non-controlling interests		**9,442**	-	-
TOTAL EQUITY		**1,152,200**	1,100,050	1,085,139

The accompanying notes form an integral part of these financial statements.

FAR EAST ORCHARD LIMITED
AND ITS SUBSIDIARIES

BALANCE SHEET - COMPANY
As at 31 December 2013

	Note	2013 $'000	2012 $'000
ASSETS			
Current assets			
Cash and cash equivalents	12	**199,548**	435,212
Trade and other receivables	13	**169,161**	9,344
Inventories	14	**39**	40
		368,748	444,596
Non-current assets			
Investments in an associated company	17	**696**	696
Investment in a joint venture	18	**300**	-
Investments in subsidiaries	19	**553,532**	483,531
Other receivables	20	**281,207**	129,600
Investment properties	21	**116,209**	111,288
Property, plant and equipment	22	**371,673**	369,025
		1,323,617	1,094,140
Total assets		**1,692,365**	1,538,736
LIABILITIES			
Current liabilities			
Trade and other payables	24	**59,618**	106,156
Deferred income	25	**6,802**	6,797
Current income tax liabilities	10	**2,617**	1,553
		69,037	114,506
Non-current liabilities			
Other payables	28	**251,957**	60,603
Deferred income	25	**323,888**	330,685
Deferred income tax liabilities	29	**648**	726
		576,493	392,014
Total liabilities		**645,530**	506,520
NET ASSETS		**1,046,835**	1,032,216
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	30	**420,616**	394,612
Revaluation and other reserves	31	**339,686**	336,423
Retained profits	32	**286,533**	301,181
TOTAL EQUITY		**1,046,835**	1,032,216

The accompanying notes form an integral part of these financial statements.

FAR EAST ORCHARD LIMITED
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2013

	Note	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Share-based payment reserve	Hedging reserve	Retained profits	Total	Non-controlling interests	Total equity
		← Attributable to equity holders of the Company								→		
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2013												
Beginning of financial year		394,612	-	336,423	(2,238)	-	-	-	371,253	1,100,050	-	1,100,050
Shares issued in-lieu of dividends	30, 33	26,004	-	-	-	-	-	-	(16,140)	9,864	-	9,864
Dividend paid to shareholders in cash	33	-	-	-	-	-	-	-	(6,807)	(6,807)	-	(6,807)
Dilution of interest in the business of a subsidiary	31(b)(vi)	-	10,557	-	-	-	-	-	-	10,557	19,443	30,000
Total comprehensive income for the year		-	-	6,093	(5,663)	(564)	-	(157)	29,385	29,094	(10,001)	19,093
End of financial year		**420,616**	**10,557**	**342,516**	**(7,901)**	**(564)**	**-**	**(157)**	**377,691**	**1,142,758**	**9,442**	**1,152,200**
2012												
Beginning of financial year		372,063	-	502,608	(7,394)	30,557	253	-	187,052	1,085,139	-	1,085,139
Shares issued in-lieu of dividends	30, 33	22,549	-	-	-	-	-	-	(22,549)	-	-	-
Dividend paid to shareholders in cash	33	-	-	-	-	-	-	-	(10,141)	(10,141)	-	(10,141)
Dividend in specie	33	-	-	-	-	-	-	-	(120,050)	(120,050)	-	(120,050)
Special dividend	33	-	-	-	-	-	-	-	(45,257)	(45,257)	-	(45,257)
Transfer of asset revaluation reserve to retained profits	31(b)(i)	-	-	(191,443)	-	-	-	-	191,443	-	-	-
Total comprehensive income for the year		-	-	25,258	5,156	(30,557)	(253)	-	190,755	190,359	-	190,359
End of financial year		**394,612**	**-**	**336,423**	**(2,238)**	**-**	**-**	**-**	**371,253**	**1,100,050**	**-**	**1,100,050**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2013

	Note	**2013**	2012 (restated)
		$'000	$'000
Cash flows from operating activities			
Net profit		**21,512**	190,755
Adjustments for:			
- Income tax credit		**(463)**	(1,403)
- Depreciation of property, plant and equipment		**3,499**	5,854
- Amortisation of intangible assets		**2,243**	976
- Interest income		**(1,971)**	(1,097)
- Interest expense		**812**	3,691
- (Gain)/loss on disposal of property, plant and equipment		**(1)**	3,278
- Gains on disposal of investment properties		**-**	(1,683)
- Fair value gains on investment properties		**(14,700)**	(5,541)
- Gain arising on dilution of interest in an associated company		**-**	(2)
- Gain on partial disposal of an associated company		**-**	(102,240)
- Reclassification from other comprehensive income on disposal of an associated company		**-**	(53,642)
- Impairment loss on goodwill		**-**	30,141
- Foreseeable loss on a development property		**459**	-
- Share of results of joint ventures		**(4,120)**	(24,157)
- Share of results of associated companies		**(3,108)**	(32,618)
		4,162	12,312
Change in working capital:			
- Trade and other receivables		**(38,110)**	(10,377)
- Inventories		**49**	13
- Development properties and properties held for sale		**70,364**	(1,504)
- Trade and other payables		**148**	9,678
- Provisions		**(1,517)**	-
- Deferred income		**(5,971)**	(2,357)
Cash generated from operations		**29,125**	7,765
Income tax paid - net		**(2,384)**	(4,894)
Net cash provided by operating activities		**26,741**	2,871
Cash flows from investing activities			
Payment for Asset Swap Transaction	39(b)(ii)	**-**	(58,653)
Acquisition of businesses, net of cash acquired	39(a)(ii)	**(62,020)**	-
Additions to property, plant and equipment		**(15,136)**	(11,684)
Additions to investment properties		**-**	(138)
Proceeds from grant of leasehold interest in freehold land		**-**	339,839
Disposal of property, plant and equipment		**1**	314,598
Disposal of investment properties		**-**	62,318
Investments in associated companies	17	**-**	(696)
Dividends received from an associated company	17	**-**	2,842
Investments in joint ventures		**(146,992)**	-
Dividends received from a joint venture		**-**	138,000
Advances to joint ventures		**(39,581)**	-
Advances from joint ventures		**41,580**	44,600
Interest received		**2,297**	588
Net cash (used in)/provided by investing activities		**(219,851)**	831,614

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2013

	Note	2013 $'000	2012 (restated) $'000
Cash flows from financing activities			
Proceeds from borrowings		**12,340**	243,856
Repayment of borrowings		**(7,979)**	(630,149)
Interest paid		**(967)**	(4,625)
Dividends paid to shareholders		**(42,200)**	(10,141)
Advances from non-controlling interest		**46,128**	-
Net cash provided by/(used in) financing activities		**7,322**	(401,059)
Net (decrease)/increase in cash and cash equivalents		**(185,788)**	433,426
Cash and cash equivalents at beginning of financial year	12	**450,820**	17,394
Effects of currency translation on cash and cash equivalents		**(57)**	-
Cash and cash equivalents at end of financial year	12	**264,975**	450,820

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Far East Orchard Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 1 Tanglin Road #05-01, Orchard Parade Hotel, Singapore 247905.

The principal activities of the Company are hospitality, investment holding, property development and property investment. The principal activities of its subsidiaries are included in Note 42.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2013

On 1 January 2013, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies and disclosures in the financial statements of the Group and the Company, and had no material effect on the amounts reported for the current or prior financial years except for the following:

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(a) Amendment to FRS 1 *Presentation of Items of Other Comprehensive Income*

The Group has adopted the amendment to FRS 1 *Presentation of Items of Other Comprehensive Income* on 1 January 2013. The amendment is applicable for annual periods beginning on or after 1 July 2012 (with early adoption permitted). It requires items presented in other comprehensive income to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future.

This amendment does not have any impact on the accounting policies of the Group. The Group has incorporated the additional required disclosures into the financial statements.

(b) Amendment to FRS 1 *Presentation of Financial Statements* – Clarification of the requirements for comparative information

This amendment arose from Annual Improvements to FRSs issued by the Accounting Standards Council in August 2012. The amendment clarified that when an entity presents a balance sheet at the beginning of the preceding period, it need not present the related notes to that balance sheet if that balance sheet was required as a result of either:

- retrospective application of an accounting policy, or
- retrospective restatement or reclassification of items in the financial statements.

However, when an entity chooses to present FRS-compliant comparative financial statements in addition to the minimum comparatives required, the entity shall present related note information for those additional statements.

This amendment does not have any impact on the accounting policies of the Group. The Group has incorporated the additional required disclosures into the financial statements.

(c) Amendment to FRS 107 *Disclosure-Offsetting Financial Assets and Financial Liabilities*

This amendment includes new disclosures to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(c) Amendment to FRS 107 *Disclosure-Offsetting Financial Assets and Financial Liabilities* (continued)

This amendment does not have any impact on the accounting policies of the Group. The Group has incorporated the additional required disclosures into the financial statements.

(d) FRS 113 *Fair Value Measurement*

FRS 113 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRSs.

The adoption of FRS 113 does not have any material impact on the accounting policies of the Group. The Group has incorporated the additional disclosures required by FRS 113 into the financial statements.

Early adoption of published standards not effective in 2013

The Group has early adopted the following new and amended standards, together with the consequential amendments to other FRSs, for the financial year ended 31 December 2013.

(e) FRS 110 *Consolidated Financial Statements*

FRS 110 was issued in September 2011 and replaces all the guidance on control and consolidation in FRS 27 *Consolidated and Separate Financial Statements* and INT FRS 12 *Consolidation – Special Purpose Entities*. Under FRS 110, subsidiaries are all entities (including structures entities) over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group has applied FRS 110 retrospectively in accordance with the transitional provisions of FRS 110. The adoption of FRS 110 did not result in substantial changes to the Group's financial statements. There is no required disclosure under FRS 110. Required disclosures for subsidiaries are specified under FRS 112.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(f) FRS 111 *Joint Arrangements*

FRS 111 was issued in September 2011 and supersedes FRS 31 *Interests in Joint Ventures* and INT FRS 13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. Under FRS 111, interests in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. Interests in joint operations are accounted for by the Group recognising its own assets, liabilities, income and expenses relating to the joint operation. Interests in joint ventures are recognised as a single investment and accounted for using the equity method of accounting per FRS 28 (Amended), *Investments in Associates and Joint Ventures*.

The Group has applied FRS 111 retrospectively from 1 January 2012 in accordance with the transitional provisions of FRS 111. The adoption of FRS 111 resulted in the Group changing its accounting policy for its investment in joint ventures. There is no required disclosure under FRS 111. Required disclosures for joint ventures are specified under FRS 112.

In prior years, the Group's investments in joint ventures, Orwin Development Pte Ltd and Far East Opus Pte Ltd were accounted for by proportionate consolidation. The Group combined its share of the jointly controlled entity's individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

On adoption of FRS 111, the Group recognised its investments in joint ventures at 1 January 2012 at the net carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. The Group has applied equity accounting as described in its accounting policy Note 2.4(d)(ii) from 1 January 2012.

The effects of the change in accounting policies on the balance sheet, comprehensive income and the cash flows of the Group at 1 January 2012 and 31 December 2012 are summarised below. The change in accounting policy had no impact on earnings per share.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(f) FRS 111 *Joint Arrangements* (continued)

Impact of change in accounting policy on consolidated balance sheet

	As at 31 December 2012 (previously stated) $'000	Change in accounting policy $'000	As at 31 December 2012 (restated) $'000	As at 1 January 2012 (previously stated) $'000	Change in accounting policy $'000	As at 1 January 2012 (restated) $'000
ASSETS						
Current assets	**893,591**	**(174,250)**	**719,341**	**435,138**	**(315,269)**	**119,869**
Includes:						
- Cash and cash equivalents	488,164	(37,344)	450,820	76,446	(59,052)	17,394
- Trade and other receivables	88,244	(71,225)	17,019	188,645	(182,512)	6,133
- Development properties	167,653	(65,681)	101,972	169,974	(73,705)	96,269
Non-current assets	**791,704**	**165,930**	**957,634**	**1,220,195**	**282,696**	**1,502,891**
Includes:						
- Investments in joint ventures	-	132,559	132,559	-	246,005	246,005
- Other receivables	111	33,371	33,482	111	36,691	36,802
Total assets	**1,685,295**	**(8,320)**	**1,676,975**	**1,655,333**	**(32,573)**	**1,622,760**
LIABILITIES						
Current liabilities	**152,758**	**(40,158)**	**112,600**	**254,433**	**(7,928)**	**246,505**
Includes:						
- Trade and other payables	121,957	(19,342)	102,615	50,720	(7,928)	42,792
- Current income tax liabilities	24,004	(20,816)	3,188	7,655	-	7,655
Non-current liabilities	**432,487**	**31,838**	**464,325**	**315,761**	**(24,645)**	**291,116**
Includes:						
- Deferred income tax liabilities	27,833	(11,622)	16,211	51,793	(26,845)	24,948
- Other payables	3,884	75,382	79,266	4,366	34,102	38,468
- Borrowings	70,085	(31,922)	38,163	259,602	(31,902)	227,700
Total liabilities	**585,245**	**(8,320)**	**576,925**	**570,194**	**(32,573)**	**537,621**
NET ASSETS	**1,100,050**	**-**	**1,100,050**	**1,085,139**	**-**	**1,085,139**
EQUITY						
Capital and reserves attributable to equity holders of the Company	**1,100,050**	**-**	**1,100,050**	**1,085,139**	**-**	**1,085,139**
Total equity	**1,100,050**	**-**	**1,100,050**	**1,085,139**	**-**	**1,085,139**

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(f) FRS 111 *Joint Arrangements* (continued)

Impact of change in accounting policy on the consolidated statement of comprehensive income

	For year ended 31 December 2012 $'000	Change in accounting policy $'000	For year ended 31 December 2012 (restated) $'000
Sales	145,885	(70,709)	75,176
Cost of sales	(73,117)	35,396	(37,721)
Gross profit	72,768	(35,313)	37,455
Other income	1,961	(420)	1,541
Other gains - net	121,539	-	121,539
Expenses			
- Distribution and marketing	(12,187)	5,528	(6,659)
- Administrative	(13,261)	27	(13,234)
- Finance	(3,659)	-	(3,659)
- Other	(4,835)	429	(4,406)
Share of result of			
- joint ventures accounted for using equity method	-	24,157	24,157
- associated companies	32,618	-	32,618
Profit before income tax	194,944	(5,592)	189,352
Income tax (expense)/credit	(4,189)	5,592	1,403
Net profit	**190,755**	**-**	**190,755**
Other comprehensive loss, net of tax	(396)	-	(396)
Total comprehensive income	**190,359**	**-**	**190,359**

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(f) FRS 111 *Joint Arrangements* (continued)

Impact of change in accounting policy on the consolidated statement of cash flows

	For year ended 31 December 2012 $'000	Change in accounting policy $'000	For year ended 31 December 2012 (restated) $'000
Cash flows from operating activities	**164,194**	**(161,323)**	**2,871**
Includes:			
- Cash generated from operations	169,088	(161,323)	7,765
Cash flows from investing activities	**649,037**	**182,577**	**831,614**
Includes:			
- Dividends received from a joint venture	-	138,000	138,000
- Advances from a joint venture	-	44,600	44,600
- Interest received	611	(23)	588
Cash flows from financing activities	**(401,513)**	**454**	**(401,059)**
Includes:			
- Interest paid	(5,079)	454	(4,625)
Net increase in cash and cash equivalents	**411,718**	**21,708**	**433,426**

(g) FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 was issued in September 2011 when FRS 110 was published and sets out the disclosure requirements on interests in associated companies, joint ventures, subsidiaries and unconsolidated structured entities. Certain new disclosures with respect to these entities are introduced under FRS 112 (Notes 17, 18 and 19). The adoption of FRS 112 does not have any impact on the accounting policies of the Group.

(h) FRS 27 *Separate Financial Statements*

FRS 27 was amended in May 2011 when FRS 110 was published. The adoption of FRS 27 (revised) did not result in substantial changes to accounting policies of the Group and disclosures in the financial statements.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(i) FRS 28 *Investments in Associates and Joint Ventures*

FRS 28 was amended in May 2011 when FRS 111 was published. The adoption of FRS 28 (amended) did not result in substantial changes to accounting policies of the Group and disclosures in the financial statements.

Reclassification of comparative figures

Certain comparative figures in the statement of comprehensive income have been reclassified to conform to current year presentation. Service fees and other income from hospitality operations amounting to $5,576,000 has been reclassified from "Other income" to "Sales" for the financial year ended 31 December 2012.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and the specific criteria for each of the Group's activities are met as follows:

(a) Hospitality operations

Revenue from operation of hotels and serviced residences is recognised at the point at which the accommodation and related services are provided.

(b) Hospitality and other management services

Revenue from hospitality and other management services includes hospitality management fees, property management fees and other related fees.

(i) Hospitality management fees

Management fees earned from hospitality properties managed by the Group are recognised when services are rendered under the terms of the contract. The fees include a base fee, which is generally a percentage of the hospitality property's revenue, and/or an incentive fee, which is generally based on the hospitality property's profitability.

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(b) Hospitality and other management services (continued)

(ii) Property management fees

Property and project management fees are recognised when services are rendered under the terms of the contract.

(iii) Other related fees

Other related fees earned from hospitality properties managed by the Group are recognised when services are rendered under the terms of the contract.

(c) Sale of development properties

Revenue from sale of development properties under construction is recognised when the properties are delivered to the buyers, except for cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses, in which case sales are recognised by reference to the stage of completion of the properties. This is described in greater detail in Note 2.6.

(d) Sale of properties held for sale

Revenue from sale of properties held for sale is recognised when the properties are delivered to the buyers.

(e) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

2.3 Other income

(a) Interest income

Interest income is recognised using the effective interest method.

(b) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

2. Significant accounting policies (continued)

2.4 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

Acquisition-related costs are expensed as incurred.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the (b) fair values of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill on Acquisitions" for the accounting policy on goodwill subsequent to initial recognition.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Joint operations*

Joint operations are contractual arrangements whereby the Group jointly share the rights to the assets, and obligations for the liabilities, relating to the arrangements with one or more parties. The financial statements of the Group include its share of the assets in such arrangements, together with the liabilities, revenues and expenses arising jointly or otherwise from these arrangements.

(d) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associate or joint venture over the Group's share of the fair value of the identifiable net assets of the associate or joint venture and is included in the carrying amount of the investments.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(d) *Associated companies and joint ventures* (continued)

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies and joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company or joint venture.

Unrealised gains on transactions between the Group and its associated companies and joint ventures are eliminated to the extent of the Group's interest in the associated companies and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies and joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies and joint ventures are derecognised when the Group loses significant influence or joint control and any retained interest in the former associated company or joint venture is a financial asset. Such retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies and joint ventures in which significant influence or joint control is retained are recognised in profit or loss.

2. Significant accounting policies (continued)

2.4 Group accounting (continued)

(d) Associated companies and joint ventures (continued)

(iii) Disposals (continued)

Please refer to the paragraph "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) Measurement

(i) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Leasehold land and buildings on freehold and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses. Upon each revaluation, leasehold land and buildings on freehold and leasehold land are carried at revalued amounts less accumulated impairment losses.

Land and buildings are revalued by independent professional valuers on triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(a) *Measurement* (continued)

(ii) *Other property, plant and equipment*

Furniture and fittings, plant and equipment, motor vehicles and other assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is 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. Cost also includes borrowing costs (refer to Note 2.9 on borrowing costs).

(b) *Depreciation*

Freehold land and construction-in-progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buildings	50 years
Plant, equipment, furniture and fittings	3 -10 years
Motor vehicles	5 - 10 years
Other assets	5 - 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains - net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.6 Development properties

Development properties refer to properties developed for sale.

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Sales of development properties under construction in respect of which sale and purchase agreements are entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

The stage of completion is determined by the proportion of construction costs incurred to date, as certified by the architects or quantity surveyors, to the estimated total construction costs for the project. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

2. Significant accounting policies (continued)

2.6 Development properties (continued)

The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where the costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers under “Trade and other receivables”. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under “Trade and other payables”.

2.7 Properties held for sale

Properties held for sale are carried at the lower at cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.8 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (b) the fair value of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed.

Goodwill on subsidiaries and joint operations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint operations, associated companies and joint ventures include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired hospitality lease and management agreements*

Hospitality lease and management agreements acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the term of the agreements, ranging from 5 to 40 years.

2. Significant accounting policies (continued)

2.9 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.10 Investment properties

Investment properties include land and buildings or those portions of buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.11 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. Significant accounting policies (continued)

2.12 Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") that are expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) Other intangible assets
Property, plant and equipment
Investments in subsidiaries, joint ventures and associated companies

Other intangible assets, property, plant and equipment and investments in subsidiaries, joint ventures and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

2. Significant accounting policies (continued)

2.12 Impairment of non-financial assets (continued)

(b) *Other intangible assets*
Property, plant and equipment
Investments in subsidiaries and associated companies (continued)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of a revaluation decrease.

An impairment loss for an asset other than goodwill 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.13 Financial assets

(a) *Loans and receivables*

Cash and cash equivalents and trade and other receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

2. Significant accounting policies (continued)

2.13 Financial assets (continued)

(a) *Loans and receivables* (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

These assets are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets.

(b) *Available-for-sale financial assets*

Available-for-sale financial assets are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Changes in fair values are recognised in other comprehensive income and accumulated in the fair value reserve.

These financial assets are recognised on the date which the Group commits to purchase the asset. They are presented as non-current assets unless the investment matures or management intends to dispose the assets within 12 months after the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired. A significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. Impairment losses recognised as an expense on equity securities are not reversed through the profit or loss.

On disposal, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2. Significant accounting policies (continued)

2.14 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries and joint ventures. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries or joint ventures fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values, if material, plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' and joint ventures' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2.15 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

2.17 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The Group has entered into currency forwards that qualify as cash flow hedges against a highly probable forecasted transaction in a foreign currency. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and transferred to the cost of a hedged non-monetary asset upon acquisition.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are reclassified to profit or loss immediately.

2.18 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

2. Significant accounting policies (continued)

2.19 Operating leases

(a) *When the Group is the lessee*

The Group leases hotels, serviced residences and offices under operating leases from non-related and related parties [Note 37(a)].

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) *When the Group is the lessor*

The Group leases investment properties under operating leases to non-related parties and related parties [Note 37(a)].

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.20 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. Significant accounting policies (continued)

2.21 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities, except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Significant accounting policies (continued)

2.22 Provisions

Provisions for other liabilities or charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2.23 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.24 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

2. Significant accounting policies (continued)

2.24 Currency translation (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings are presented in statement of comprehensive income within “finance expense”. All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within “other losses - net”. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities’ financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group’s chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

2. Significant accounting policies (continued)

2.26 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

2.27 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.28 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

3. Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Valuation of investment properties and land and buildings under property, plant and equipment

The Group's investment properties and land and buildings, classified under property, plant and equipment, with a carrying amount of $304,475,000 (Note 21) and $542,158,000 (Note 22) respectively as at 31 December 2013, are stated at their estimated fair values which are determined by independent professional valuers. These estimated fair values may differ from the prices at which the Group's properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of uncontrollable factors, such as overall market conditions. Consequently, actual results of operations and realisation of these land and buildings could differ from the estimates set forth in these financial statements, and the difference could be significant.

3. Critical accounting estimates and assumptions (continued)

(a) Valuation of investment properties and land and buildings under property, plant and equipment (continued)

If the actual fair values of investment properties differ by 1% from the estimates used for these financial statements, the investment properties as at 31 December 2013 would be increased or reduced by $3,045,000 and the profit before income tax for the year then ended would be increased or reduced by the same amount.

If the actual fair values of the land and buildings differ by 1% from the estimates used for these financial statements, the property, plant and equipment as at 31 December 2013 would be increased or reduced by $4,908,000, net of deferred tax, and the other comprehensive loss for the year then ended would be reduced or increased by the same amount.

(b) Sales of properties under development

The Group uses the stage of completion method to recognise revenue on sales of certain properties under development as stated under Note 2.6. The stage of completion is determined by the proportion of construction costs incurred to date, as certified by the architects or quantity surveyors, to the estimated total construction costs for the project.

Significant assumptions are required to estimate the total construction costs that will affect the stage of completion and the revenue and profits recognised. In making these estimates, management has relied on past experience and the work of specialist.

If the total construction costs to be incurred increased/decreased by 2% from management's estimates, the Group's gross profit and net profit before tax will decrease/increase by $866,000/$902,000.

3. **Critical accounting estimates and assumptions** (continued)

(c) Impairment testing of goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. No impairment of goodwill has been identified for the current financial year based on the recoverable amounts of the underlying cash-generating units ("CGU").

For the goodwill of $41,301,000 allocated to the hospitality management services – Singapore CGU, the recoverable amount has been determined based on fair value less costs to sell. A reasonable change in the fair value less costs to sell adopted is not expected to result in a reduction in the carrying value of goodwill.

For the goodwill of $17,590,000 allocated to the hospitality property ownership CGU, the recoverable amount has been determined based on value-in-use calculations. These calculations require the use of estimates [Note 23(a)]. The effects of a reasonable change in these estimates on the carrying value of goodwill as at 31 December 2013 are as follows:

	(Decrease)/ Increase	Reduction of carrying value of goodwill $'000
Budgeted net profit margin	(1%)	4,586,000
Discount rate	1%	4,641,000
Terminal yield	0.5%	5,072,000

(d) Provisions for onerous contracts

The carrying amounts of the provisions for onerous contracts (Note 27) depend on a number of factors that are determined based on a number of assumptions which included the budgeted net profit margin. The Group determines the appropriate budgeted net profit margin at the end of each financial year. If the budgeted net profit margin used increase/decrease by 1% from management's estimates, the carrying amount of provisions for onerous contracts will be $1,567,000 lower/ $2,146,000 higher.

4. Sales

	Group	
	2013	2012 (restated)
	$'000	$'000
Hospitality operations	**80,349**	55,273
Hospitality and other management fees	**15,723**	5,347
Sale of development properties	**43,978**	-
Sale of properties held for sale	**9,909**	3,394
Rental income	**8,351**	10,399
Management fees charged to a joint venture	**259**	763
	158,569	75,176

5. Expenses by nature

	Group	
	2013	2012 (restated)
	$'000	$'000
Advertising, promotion and marketing	**5,065**	3,724
Cost of development properties and properties held for sale	**40,144**	3,438
Foreseeable loss on a development property [Note 15(a)]	**459**	-
Depreciation of property, plant and equipment (Note 22)	**3,499**	5,854
Directors' fees [Note 37(b)]	**469**	468
Employee compensation (Note 6)	**27,463**	12,168
Hospitality supplies and services	**14,378**	10,165
Hospitality and other management fees – joint ventures [Note 37(a)]	**1,769**	-
Hospitality services and other support services – other related parties [Note 37(a)]	**4,369**	5,805
Fees on audit services paid/payable to:		
- Auditor of the Company	**389**	328
- Other auditors	**49**	3
Fees on non-audit services paid/payable to:		
- Auditor of the Company [Note 39(a)]	**1,437**	508
Acquisition-related costs [Note 39(a)]	**15,478**	-
Property tax and upkeep of properties	**3,950**	3,440
Amortisation of intangible assets [Note 23(b)]	**2,243**	976
Rental expense on operating leases	**29,833**	8,983
Other expenses	**7,045**	6,160
Total cost of sales, distribution and marketing, administrative and other expenses	**158,039**	62,020

5. Expenses by nature (continued)

Included in the rental expense on operating leases is contingent rent amounting to $14,146,000 (2012: $4,656,000) relating to the lease arrangements with Far East Hospitality Trust on hotels and serviced residences [Note 37(c)]. The rental expense on operating leases presented in "cost of sales" includes the amortisation of deferred income amounting to $5,301,000 (2012: $1,862,000) (Note 25).

6. Employee compensation

	Group	
	2013	2012
	$'000	$'000
Wages and salaries	**23,693**	10,726
Employer's contribution to defined contribution plans including Central Provident Fund	**2,321**	930
Other benefits	**1,449**	512
	27,463	12,168

7. Other income

	Group	
	2013	2012 (restated)
	$'000	$'000
Interest income		
- Bank deposits	**1,971**	1,097
- Advances to joint ventures	**669**	-
Other miscellaneous income	**459**	444
	3,099	1,541

8. Other gains - net

	Group	
	2013	2012
	$'000	$'000
Fair value gains on investment properties [Note 21(a)]	**14,700**	5,541
Currency translation loss - net	**(2,238)**	-
Gain/(loss) on disposal of property, plant and equipment	**1**	(357)
Gain arising on dilution of interest in an associated company and commencement of liquidation of a subsidiary	**-**	1,002
REIT Transaction [Note 37(c)]		
- Gain on disposal of property, plant and equipment	**-**	1,289
- Gain on disposal of investment properties	**-**	1,683
- Committed capital expenditure on disposed assets	**-**	(4,210)
	-	(1,238)
Asset Swap Transaction [Note 37(c)]		
- Gain on partial disposal of an associated company	**-**	102,240
- Reclassification from other comprehensive income on partial disposal of an associated company	**-**	53,642
- Impairment loss of goodwill [Note 23(a)]	**-**	(30,141)
- Acquisition-related costs [Note 39(b)(iv)]	**-**	(9,150)
	-	116,591
	12,463	121,539

9. Finance expenses

	Group	
	2013	2012 (restated)
	$'000	$'000
Interest expense		
- Bank borrowings	**1,289**	5,100
- Advances from a non-controlling interest	**204**	-
Currency translation losses/(gains) - net	**1,459**	(32)
	2,952	5,068
Less: Borrowing costs capitalised in development properties and property, plant and equipment	**(681)**	(1,409)
Finance expenses recognised in profit or loss	**2,271**	3,659

10. Income taxes

(a) Income tax credit

	Group	
	2013	2012 (restated)
	$'000	$'000
Tax (credit)/expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax		
- Singapore	**3,105**	2,880
- Foreign	**712**	-
	3,817	2,880
Deferred income tax	**(4,549)**	(480)
	(732)	2,400
- Under/(Over) provision in prior financial years:		
Current income tax - Singapore	**244**	(2,453)
Deferred income tax (Note 29)	**25**	(1,350)
	269	(3,803)
	(463)	(1,403)

10. Income taxes (continued)

(a) Income tax credit (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2013	2012 (restated)
	$'000	$'000
Profit before tax	**21,049**	189,352
Share of results of		
- joint ventures accounted for using equity method, net of tax	**(4,120)**	(24,157)
- associated companies, net of tax	**(3,108)**	(32,618)
Profit before tax and share of results of joint ventures accounted for using equity method and associated companies	**13,821**	132,577
Tax calculated at tax rate of 17% (2012: 17%)	**2,349**	22,538
Effects of:		
- Different tax rates in other countries	**(4,070)**	(44)
- Expenses not deductible for tax purposes	**11,715**	8,343
- Income not subject to tax	**(4,368)**	(28,538)
- Statutory stepped income exemption	**(77)**	(119)
- Deferred tax asset not recognised	**246**	304
- Recognition of previously unrecognised tax losses and capital allowances	**(6,930)**	-
- Unremitted profit of a joint venture	**478**	-
- Tax incentives	**(75)**	(84)
Tax (credit)/charge	**(732)**	2,400

The effect of different tax rates in other countries relates to the adjustments to expenses not deductible for tax purposes incurred by the Group's foreign subsidiaries in countries with higher tax rates.

10. **Income taxes** (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**3,188**	7,655	**1,553**	5,081
Currency translation differences	**(23)**	-	**-**	-
Acquisition of businesses [Note 39(a)(iii)]	**(81)**	-	**-**	-
Income tax paid - net	**(2,384)**	(4,894)	**(1,139)**	(2,513)
Tax expense	**3,817**	2,880	**1,900**	1,374
Under/(Over) provision in prior financial years	**244**	(2,453)	**303**	(2,389)
End of financial year	**4,761**	3,188	**2,617**	1,553

(c) The tax charge/(credit) relating to each component of other comprehensive income, where applicable, is presented in the other comprehensive income.

11. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2013	2012
Net profit attributable to equity holders of the Company ($'000)	**29,385**	190,755
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**386,183**	370,604
Basic earnings per share (cents per share)	**7.61**	51.47

(b) Diluted earnings per share

The basic earnings per share are the same as the diluted earnings per share as there are no dilutive potential ordinary shares.

12. Cash and cash equivalents

	Group		Company	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**38,699**	14,899	**5,473**	7,012
Short-term bank deposits	**226,276**	435,921	**194,075**	428,200
	264,975	450,820	**199,548**	435,212

Included in cash and cash equivalents of the Group is the Group's share of its joint operation's bank balances and deposits amounting to $8,848,000 (2012: $7,824,000) held under the development project rules in Singapore, and the use of which is also governed by these rules.

Please refer to Note 39(a)(ii) for the effects of acquisition of businesses on the cash flows of the Group.

13. Trade and other receivables - current

	Group		Company	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Trade receivables:				
- related parties [Note 37(a)]	**4,699**	4,609	**450**	544
- non-related parties	**15,803**	5,692	**2,312**	2,854
Due from customers [Note 15(b)]	**35,653**	-	**-**	-
	56,155	10,301	**2,762**	3,398
Less: Allowance for impairment of receivables - related parties	**(92)**	-	**-**	-
	56,063	10,301	**2,762**	3,398
Advances to a subsidiary	**-**	-	**160,029**	-
Deposits:				
- related parties [Note 37(a)]	**5,255**	5,000	**5,140**	5,000
- non-related parties	**37**	241	**9**	107
Prepayments	**2,333**	328	**90**	90
Other receivables:				
- a non-controlling interest	**1,145**	-	**-**	-
- related parties [Note 37(a)]	**1,428**	533	**835**	192
- non-related parties	**1,017**	616	**296**	557
	11,215	6,718	**166,399**	5,946
	67,278	17,019	**169,161**	9,344

The advances to a subsidiary and the other receivables from a non-controlling interest and related parties are unsecured, repayable on demand and interest-free, except for the advances to a subsidiary amounting to $154,812,000 (2012: Nil) of which interest is charged at a weighted average effective interest rate of 2.4% (2012: Nil) per annum.

14. Inventories

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Food and beverage	**755**	37	**27**	31
Sundry supplies	**102**	23	**12**	9
	857	60	**39**	40

15. Development properties

(a) The unsold properties under development of the Group representing the Group's share in its joint operations' properties under development is as follows:

	Group	
	2013	2012 (restated)
	$'000	$'000
Freehold and leasehold land	**38,118**	90,294
Development costs	**2,706**	11,678
	40,824	101,972
Less: Provision for foreseeable loss on a development property (Note 5)	**(459)**	-
	40,365	101,972

(b) The sold properties under development of the Group representing the Group's share in its joint operation's properties under development where revenue is recognised as construction progresses is as follows:

	Group	
	2013	2012
	$'000	$'000
Aggregate costs incurred and profits recognised:		
- Leasehold land	**52,176**	-
- Development costs and attributable profits	**31,271**	-
	83,447	-
Less: Progress billings	**(47,794)**	-
	35,653	-
Presented as:		
Due from customers (Note 13)	**35,653**	-

As at 31 December 2012, deposits and progress billings amounting to $30,370,000 for sold properties under development, whose revenue had not been recognised, were presented with "trade and other payables" (Note 24).

(c) As at 31 December 2013, properties under development with carrying amounts of $108,857,000 (2012: $101,972,000) are provided as security for bank borrowings (Note 26).

15. Development properties (continued)

(d) At balance sheet date, the details of development properties of the Group are as follows:

Description and location	Existing use	Stage of completion	Expected completion date	Site area (sqm)	Gross floor area (sqm)	Group's effective interest in the property
Joint operations between wholly owned subsidiary, OPH Marymount Limited, and a related party						
euHabitat: Land Parcel 780 at Jalan Eunos, Singapore	Condominium housing development	31%	December 2016	41,261	57,766	20%
7 and 11 Bassein Road, Singapore	Condominium housing development	Acquisition of land completed	Construction work has not yet commenced	4,775	*	30%

** Not shown as construction work has yet to commence.*

16. Properties held for sale

	Group	
	2013	2012
	$'000	$'000
Medical suites at cost [Note 39(b)]	**140,417**	149,470

At balance sheet date, the details of properties held for sale of the Group are as follows:

Description and location	Existing use	Site area (sqm)	Gross floor area (sqm)
Held by wholly owned subsidiary, Jelco Properties Pte Ltd			
7 medical suites at Novena Medical Center, 10 Sinaran Drive, Singapore	Medical suites	Not applicable	515
35 medical suites at Novena Specialist Center, 8 Sinaran Drive, Singapore	Medical suites	Not applicable	2,615

17. Investments in associated companies

	Group		Company	
	2013 **$'000**	2012 $'000	**2013** **$'000**	2012 $'000
Equity investment at cost			**696**	696
Beginning of financial year	**5,268**	356,225		
Additions	**-**	696		
Share of profits	**3,108**	32,618		
Share of movements in:				
- Currency translation reserve [Note 31(b)(ii)]	**-**	(1,871)		
- Fair value reserve [Note 31(b)(iii)]	**(564)**	30,148		
- Share-based payment reserve [Note 31(b)(iv)]	**-**	(59)		
Dividends received	**-**	(2,842)		
Dividend in specie (Note 33)	**-**	(120,050)		
Disposals	**-**	(289,597)		
End of financial year	**7,812**	5,268		

Details of associated companies are provided in Note 42.

The following amounts represent the summarised financial information of Group's material associated company - FEO Hospitality Asset Management Pte Ltd:

	2013 **$'000**	2012 $'000
ASSETS		
Current assets	**4,958**	4,626
- Includes cash and cash equivalents	1,500	109
Non-current assets	**9,924**	438
LIABILITIES		
Current liabilities	**(3,833)**	(1,602)
NET ASSETS	**11,049**	3,462

17. Investments in associated companies (continued)

	2013 **$'000**	2012 $'000
Sales	**14,451**	3,831
Expenses includes:		
- Depreciation and amortisation	**(99)**	(41)
- Interest expense	**(2)**	(1)
Profit before tax	**11,116**	2,389
Income tax expense	**(1,819)**	-
Net profit	**9,297**	2,389
Other comprehensive loss, net of tax		
Available-for-sale financial assets – fair value losses	**(1,710)**	-
Total comprehensive income	**7,587**	2,389

The information above reflects the amounts included in the financial statements of the associated company (and not the Group's share of those amounts), where necessary, adjusted to reflect adjustments made by the Group when applying the equity method of accounting.

There are no contingent liabilities relating to the Group's interest in the associated company.

Reconciliation of the summarised financial information above presented to the carrying amount of the Group's interest in the associated company:

	2013 **$'000**	2012 $'000
Net assets as at 1 January	**3,462**	-
Net assets acquired during the year	**-**	1,073
Net profit for the year	**9,297**	2,389
Other comprehensive loss	**(1,710)**	-
Net assets as at 31 December	**11,049**	3,462
Interest in the associated company	**3,646**	1,142
Goodwill	**343**	343
Carrying value	**3,989**	1,485

The following amount represents the aggregate amount of the Group's share in the net profit/(loss) and total comprehensive income/(loss) of other immaterial associated companies and their carrying amount:

	2013 **$'000**	2012 $'000
Net profit/(loss) and total comprehensive income /(loss)	**40**	(18)
Carrying value	**3,823**	3,783

18. Investments in joint ventures

	Group		Company	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Equity investment at cost			**300**	-
Beginning of financial year	**132,559**	246,005		
Additions	**146,992**	-		
Share of profits	**4,120**	24,157		
Share of movements in:				
- Currency translation reserve [Note 31(b)(ii)]	**(201)**	-		
- Hedging reserve [Note 31(b)(v)]	**(225)**	-		
Borrowing costs on general borrowings	**-**	397		
Currency translation differences	**(1,078)**	-		
Dividend received	**-**	(138,000)		
End of financial year	**282,167**	132,559		

Details of joint ventures are provided in Note 42.

During the financial year, the Company acquired a 30% equity interest in WaterVine Homes Pte Ltd for a cash consideration of $300,000. The Group also acquired a 37% equity interest in Toga Hotel Holdings Unit Trust as described in Note 39(a).

Included in the additions is also an amount of $5,814,000 (2012: Nil), being the fair value losses related to the currency forwards entered into during the financial year to hedge the foreign currency cash flow risk of the Group's investment in Toga Hotel Holdings Unit Trust, that were reclassified from the Group's hedging reserve [Note 31(b)(v)]. The currency forwards have been designated as a hedging instrument at inception and the effective portion of the currency forwards has been capitalised as part of the Group's cost of investment in Toga Hotel Holdings Unit Trust.

18. Investments in joint ventures (continued)

The following amounts represent summarised financial information of the Group's material joint ventures – Toga Hotel Holdings Unit Trust and Orwin Development Limited.

	Toga Hotel Holdings Unit Trust	**Orwin Development Limited**	
	2013	**2013**	2012
	$'000	**$'000**	$'000
ASSETS			
Current assets	**69,823**	**71,861**	181,374
- Includes cash and cash equivalents	37,716	55,867	62,180
Non-current assets	**524,475**	**194,937**	125,637
LIABILITIES			
Current liabilities	**(171,723)**	**(43,775)**	(67,343)
- Includes borrowings	(115,589)	-	-
Non-current liabilities	**(35,273)**	**(2,021)**	(19,369)
NET ASSETS	**387,302**	**221,002**	220,299
Sales	**148,659**	**-**	118,925
Expenses includes:			
- Depreciation and amortisation	**(4,173)**	**-**	-
- Interest income	**369**	**106**	36
- Interest expense	**(2,166)**	**-**	-
Profit before tax	**14,372**	**141**	49,655
Income tax (expense)/credit	**(2,576)**	**562**	(9,320)
Net profit	**11,796**	**703**	40,335
Other comprehensive loss:			
Fair value loss on cash flow hedge	**(588)**	**-**	-
Currency translation loss	**(524)**	**-**	-
Other comprehensive loss, net of tax	**(1,112)**	**-**	-
Total comprehensive income	**10,684**	**703**	40,335
Dividend received from joint ventures	**-**	**-**	138,000

18. Investments in joint ventures (continued)

The information above reflects the amounts included in the financial statements of the joint ventures (and not the Group's share of those amounts), where necessary adjusted to reflect adjustments made by the Group when applying the equity method of accounting.

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the joint ventures:

	Toga Hotel Holdings Unit Trust	Orwin Development Limited	
	2013	**2013**	2012
	$'000	**$'000**	$'000
Net assets as at 1 January	**-**	**220,299**	409,964
Net assets acquired during the year	**376,864**	**-**	-
Net profit for the year	**11,796**	**703**	40,335
Dividend paid	**-**	**-**	(230,000)
Other comprehensive loss	**(1,146)**	**-**	-
Currency translation differences	**(212)**	**-**	-
Net assets as at 31 December	**387,302**	**221,002**	220,299
Interest in the joint ventures	**143,752**	**132,601**	132,180
Reclassification from hedging reserve	**5,814**	**-**	-
Carrying value	**149,566**	**132,601**	132,180

The following amount represents the aggregate amount of the Group's share in the net (loss)/profit and total comprehensive (loss)/income of other immaterial joint ventures and their carrying amount:

	2013	2012
	$'000	$'000
Net (loss)/profit and total comprehensive (loss)/income	**(680)**	355
Carrying value	**-**	379

19. Investments in subsidiaries

	Company	
	2013	2012
	$'000	$'000
Equity investments at cost:		
- 15% redeemable cumulative preference shares	**396,100**	396,100
- Ordinary shares	**167,107**	97,106
	563,207	493,206
Less: Allowance for impairment losses	**(9,675)**	(9,675)
	553,532	483,531

Details of the subsidiaries are provided in Note 42.

The accumulated non-controlling interest as at 31 December 2013 is $9,442,000, which is attributed to Far East Hospitality Holdings Pte Ltd and its subsidiaries ("FEHH group") [Note 39(a)]. The non-controlling interest in respect of Seasons Green Limited is less than $1,000.

Set out below are the summarised financial information for FEHH group. The information below are the amounts before inter-company eliminations between FEHH group and the other subsidiaries within the Group.

Summarised balance sheet

	FEHH group
	2013
	$'000
Assets	
- Current assets	**79,254**
- Non-current assets	**506,742**
	585,996
Liabilities	
- Current liabilities	**(272,285)**
- Non-current liabilities	**(282,237)**
	(554,522)
Net assets	**31,474**

19. Investments in subsidiaries (continued)

Summarised statement of comprehensive income

	FEHH group
	2013
	$'000
Sales	**28,576**
Loss before income tax	**(25,107)**
Income tax expense	**(1,136)**
Net loss	**(26,243)**
Other comprehensive loss:	
Share of other comprehensive loss of joint ventures accounted for using equity method	**(425)**
Currency translation differences arising from consolidation	**(7,403)**
Revaluation gains on property, plant and equipment	**1,051**
Tax charge on revaluation gains	**(315)**
Other comprehensive loss, net of tax	**(7,092)**
Total comprehensive loss	**(33,335)**
Net loss allocated to non-controlling interest	**(7,873)**
Total comprehensive loss allocated to non-controlling interest	**(10,001)**

Summarised statement of cash flows

	FEHH group
	2013
	$'000
Operating cash inflows	**2,339**
Investing cash outflows	**(202,935)**
Financing cash inflows	**250,549**
Total cash inflows	**49,953**

There were no changes during the financial year (2012: Nil) in the Group's ownership interest in its significant subsidiaries. The Group diluted its interest in the business of a subsidiary as described in Notes 31(b) and 39(a).

20. Other receivables - non-current

	Group		Company	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Available-for-sale financial assets - unlisted securities	**1,336**	1,336	**-**	-
Country club membership	**228**	228	**228**	228
Deposits - non-related parties	**97**	-	**-**	-
Prepayments	**457**	-	**280**	-
Advances to:				
- subsidiaries	**-**	-	**364,286**	252,026
- joint ventures	**72,952**	33,371	**39,067**	-
- an associated company	**862**	860	**-**	-
	75,932	35,795	**403,861**	252,254
Less: Allowance for impairment of:				
- available-for-sale financial assets - unlisted securities	**(1,336)**	(1,336)	**-**	-
- country club membership	**(117)**	(117)	**(117)**	(117)
- advances to:				
- subsidiaries	**-**	-	**(122,537)**	(122,537)
- an associated company	**(862)**	(860)	**-**	-
	(2,315)	(2,313)	**(122,654)**	(122,654)
	73,617	33,482	**281,207**	129,600

The advances to subsidiaries, joint ventures and an associated company are unsecured and interest-free, except for advances to subsidiaries amounting to $114,026,000 (2012: $113,007,000) and advances to joint ventures of which interest is charged at a weighted average effective interest rate of 1.22% (2012: 1.31%) and 1.25% (2012: 1.42%) respectively per annum. Repayments of these advances are not expected within the next twelve months.

The fair values of other non-current receivables approximate their carrying values.

21. Investment properties

(a)

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**264,401**	166,915	**111,288**	112,845
Currency translation differences	**(1,073)**	-	**-**	-
Acquisition of businesses [Note 39(a)(iii) and Note 39(b)(iii)]	**26,447**	152,442	**-**	-
Additions – subsequent expenditure on investment properties	**-**	138	**-**	-
Disposals [Note 37(c)]	**-**	(60,635)	**-**	(6,013)
Fair value gains recognised in profit or loss (Note 8)	**14,700**	5,541	**4,921**	4,456
End of financial year	**304,475**	264,401	**116,209**	111,288

The investment properties are leased to non-related parties and related parties [Note 34(c)] under operating leases.

(b) The following amounts are recognised in profit or loss:

	Group	
	2013	2012
	$'000	$'000
Rental income	**7,763**	9,488
Direct operating expenses arising from:		
- Investment properties that generate rental income	**(2,068)**	(2,669)

21. Investment properties (continued)

(c) At balance sheet date, the details of investment properties of the Group are as follows:

Description and location	**Tenure**
Singapore	
Shops and offices (land only) at Orchard Parade Hotel, 1 Tanglin Road	Freehold
4 office units at Tanglin Shopping Centre, 19 Tanglin Road	Freehold
37 medical suites at Novena Medical Center, 10 Sinaran Drive	Leasehold with 99 years lease expiring on 27 August 2101
10 medical suites at Novena Specialist Center, 8 Sinaran Drive	Leasehold with 99 years lease expiring on 22 April 2106
Australia	
Shops at Rendezvous Hotel Perth, The Esplanade, Perth, Western Australia	Freehold

(d) Fair value hierarchy

	Fair value measurements at 31 December 2013 using		
Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$'000	$'000	$'000
Recurring fair value measurements			
Investment properties:			
- Singapore	-	-	279,101
- Australia	-	-	25,374

(e) Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the investment properties at the end of every financial year based on the properties' highest and best use.

21. **Investment properties** (continued)

(f) Valuation techniques and inputs used to derive Level 3 fair values

The fair values of the investment properties categorised under Level 3 of the fair value hierarchy were determined using a combination of the valuation techniques as follows:

Description	Fair value at 31 December 2013 ($'000)	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
Freehold land – Singapore	104,438	Sales comparison	Pre-adjusted comparable sales price – $6,558 to $7,228 psf	The higher the comparable sales price, the higher the fair value
Office units – Singapore	11,771	Sales comparison	Pre-adjusted comparable sales price – $1,900 to $2,835 psf	The higher the comparable sales price, the higher the fair value
Medical suites – Singapore	162,892	Sales comparison	Pre-adjusted comparable sales price – $3,796 to $4,600 psf	The higher the comparable sales price, the higher the fair value
Shops – Australia	25,374	Discounted cash flow	Discount rate – 10.0%	The lower the discount rate, the higher the fair value
		Income capitalisation	Capitalisation rate – 8.5%	The lower the capitalisation rate, the higher the fair value

22. Property, plant and equipment

(a)

	Freehold and leasehold land $'000	Freehold and leasehold buildings $'000	Plant, equipment, furniture and fittings $'000	Construction-in-progress $'000	Motor vehicles $'000	Other assets $'000	Total $'000
Group							
2013							
Cost or valuation							
Beginning of financial year							
Cost	-	-	40,864	8,737	1,083	3,190	53,874
Valuation	373,590	-	-	-	-	-	373,590
	373,590	-	40,864	8,737	1,083	3,190	427,464
Currency translation differences	(2,068)	(5,127)	(591)	(297)	-	(85)	(8,168)
Acquisition of businesses [Note 39(a)(iii)]	43,255	126,605	12,936	240	-	2,000	185,036
Additions	-	-	996	14,629	-	32	15,657
Disposals	-	-	(14)	-	(48)	-	(62)
Transfers	-	-	322	(342)	(3)	(12)	(35)
Revaluation adjustments	5,579	324	-	-	-	-	5,903
End of financial year	420,356	121,802	54,513	22,967	1,032	5,125	625,795
Representing:							
Cost	-	-	54,513	22,967	1,032	5,125	83,637
Valuation	420,356	121,802	-	-	-	-	542,158
	420,356	121,802	54,513	22,967	1,032	5,125	625,795
Accumulated depreciation							
Beginning of financial year	-	-	32,635	-	85	2,205	34,925
Currency translation differences	-	(39)	(4)	-	-	(1)	(44)
Depreciation charge (Note 5)	-	766	2,140	-	108	485	3,499
Disposals	-	-	(14)	-	(48)	-	(62)
Revaluation adjustments	-	(727)	-	-	-	-	(727)
End of financial year	-	-	34,757	-	145	2,689	37,591
Net book value							
End of financial year	**420,356**	**121,802**	**19,756**	**22,967**	**887**	**2,436**	**588,204**
2012							
Cost or valuation							
Beginning of financial year							
Cost	-	-	41,671	4,280	43	2,271	48,265
Valuation	558,979	124,422	-	-	-	-	683,401
	558,979	124,422	41,671	4,280	43	2,271	731,666
Currency translation differences	(221)	-	-	(70)	-	-	(291)
Acquisition of business [Note 39(b)(iii)]	-	-	217	-	77	26	320
Additions	-	269	1,383	7,835	963	1,482	11,932
Disposals	(190,707)	(120,926)	(3,907)	(1,792)	-	(589)	(317,921)
Transfers	-	-	1,500	(1,500)	-	-	-
Written off	-	-	-	(16)	-	-	(16)
Revaluation adjustments	5,539	(3,765)	-	-	-	-	1,774
End of financial year	373,590	-	40,864	8,737	1,083	3,190	427,464
Representing:							
Cost	-	-	40,864	8,737	1,083	3,190	53,874
Valuation	373,590	-	-	-	-	-	373,590
	373,590	-	40,864	8,737	1,083	3,190	427,464
Accumulated depreciation							
Beginning of financial year	-	-	32,669	-	43	2,010	34,722
Depreciation charge (Note 5)	1,558	2,162	1,894	-	42	198	5,854
Disposals	(964)	(1,318)	(1,928)	-	-	(3)	(4,213)
Revaluation adjustments	(594)	(844)	-	-	-	-	(1,438)
End of financial year	-	-	32,635	-	85	2,205	34,925
Net book value							
End of financial year	**373,590**	**-**	**8,229**	**8,737**	**998**	**985**	**392,539**

22. Property, plant and equipment (continued)

(b)

	Freehold and leasehold land $'000	Freehold and leasehold buildings $'000	Plant, equipment, furniture and fittings $'000	Construction-in-progress $'000	Motor vehicles $'000	Other assets $'000	Total $'000
Company							
2013							
Cost or valuation							
Beginning of financial year							
Cost	-	-	27,127	114	271	1,768	29,280
Valuation	364,000	-	-	-	-	-	364,000
	364,000	-	27,127	114	271	1,768	393,280
Additions	-	-	393	61	-	10	464
Disposals	-	-	(4)	-	(48)	-	(52)
Transfers	-	-	175	(175)	-	-	-
Revaluation adjustments	3,263	-	-	-	-	-	3,263
End of financial year	367,263	-	27,691	-	223	1,778	396,955
Representing:							
Cost	-		27,691	-	223	1,778	29,692
Valuation	367,263	-	-	-	-	-	367,263
	367,263	-	27,691	-	223	1,778	396,955
Accumulated depreciation							
Beginning of financial year	-	-	22,423	-	64	1,768	24,255
Depreciation charge	-	-	1,052	-	23	4	1,079
Disposals	-	-	(4)	-	(48)	-	(52)
Revaluation adjustments	-	-	-	-	-	-	-
End of financial year	-	-	23,471	-	39	1,772	25,282
Net book value							
End of financial year	**367,263**	**-**	**4,220**	**-**	**184**	**6**	**371,673**
2012							
Cost or valuation							
Beginning of financial year							
Cost	-	-	28,240	1,140	43	2,006	31,429
Valuation	359,888	68,675	-	-	-	-	428,563
	359,888	68,675	28,240	1,140	43	2,006	459,992
Additions	-	269	427	475	228	-	1,399
Disposals	-	(66,058)	(3,041)	-	-	(238)	(69,337)
Transfers	-	-	1,501	(1,501)	-	-	-
Revaluation adjustments	4,112	(2,886)	-	-	-	-	1,226
End of financial year	364,000	-	27,127	114	271	1,768	393,280
Representing:							
Cost	-	-	27,127	114	271	1,768	29,280
Valuation	364,000	-	-	-	-	-	364,000
	364,000	-	27,127	114	271	1,768	393,280
Accumulated depreciation							
Beginning of financial year	-	-	22,886	-	43	1,768	24,697
Depreciation charge	-	1,251	1,203	-	21	-	2,475
Disposals	-	(760)	(1,666)	-	-	-	(2,426)
Revaluation adjustments	-	(491)	-	-	-	-	(491)
End of financial year	-	-	22,423	-	64	1,768	24,255
Net book value							
End of financial year	**364,000**	**-**	**4,704**	**114**	**207**	**-**	**369,025**

22. Property, plant and equipment (continued)

(c) If the freehold and leasehold land and buildings of the Group and the Company stated at valuation were included in the financial statements at cost less accumulated depreciation, their net book values would have been $173,713,000 (2012: $11,773,000) and $2,183,000 (2012: $2,183,000) respectively.

(d) Property, plant and equipment of the Group with carrying amounts of $126,924,000 (2012: $18,065,000) are provided as security for bank borrowings (Note 26).

(e) At the balance sheet date, the details of the Group's freehold and leasehold land and buildings are as follows:

Location	Description and existing use
Singapore	
1 Tanglin Road (land only)#	Hotel operation
Malaysia	
Lorong P Ramlee, Kuala Lumpur	Serviced residences under re-development
Australia	
The Esplanade, Perth, Western Australia	Hotel operation
24 Mount Street, Perth, Western Australia	Hotel operation
328 Flinders Street, Melbourne, Victoria	Hotel operation
121 Port Douglas Road, Port Douglas, Queensland	Hotel central facilities and office
255 Ann Street, Brisbane, Queensland	Retail and office

The Group has reversionary interests in the following properties:

Location	Description and existing use	Tenure
Singapore		
1 Tanglin Road#	Hotel operation	Freehold/99-year leasehold with effect from April 1965
180 Albert Street#	Hotel operation	99-year leasehold with effect from September 1990
20 Havelock Road#	Serviced residences operation	99-year leasehold with effect from February 1995

Leasehold interests (50-year for 1 Tanglin Road, 75-year for 180 Albert Street and 80-year for 20 Havelock Road) sold to Far East Hospitality Trust and leased back to the Group for an initial period of 20 years and an extendable term of another 20 years at the option of the Group. The Group has reversionary interests in the properties at the expiry of the 50-year, 75-year and 80-year leases.

22. **Property, plant and equipment** (continued)

(f) Fair value hierarchy

	Fair value measurements at 31 December 2013 using		
Description	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$'000	$'000	$'000
Recurring fair value measurements			
Freehold and leasehold land and buildings:			
- Singapore	-	-	367,262
- Malaysia	-	-	11,580
- Australia	-	-	163,316

(g) Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the group's freehold land and buildings on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts, based on the properties' highest and best use.

(h) Valuation techniques and inputs used to derive Level 3 fair values

The fair values of freehold and leasehold land and buildings categorised under Level 3 of the fair value hierarchy were determined using a combination of the valuation techniques as follows:

Description	Fair value at 31 December 2013 ($'000)	Valuation techniques	Unobservable inputs	Relationship of unobservable inputs to fair value
Freehold and leasehold land – Singapore	367,262	Sales comparison	Pre-adjusted comparable sales price – $4,876 to $7,296 psf	The higher the comparable sales price, the higher the fair value
Freehold land – Malaysia	11,580	Sales comparison	Pre-adjusted comparable sales price – $655 to $1,113 psf	The higher the comparable sales price, the higher the fair value
Freehold land and buildings – Australia	163,316	Discounted cash flow	Discount rate – 11.0% to 11.5%	The lower the discount rate, the higher the fair value
		Income capitalisation	Capitalisation rate – 8.5% to 9.5%	The lower the capitalisation rate, the higher the fair value

23. Intangible assets

	Group	
	2013 **$'000**	2012 $'000
Composition:		
Goodwill arising from business acquisitions [Note (a)]	**58,891**	41,301
Hospitality lease and management agreements [Note (b)]	**97,016**	88,084
	155,907	129,385

(a) Goodwill arising from business acquisitions

	Group	
	2013 **$'000**	2012 $'000
Cost		
Beginning of financial year	**71,442**	-
Currency translation differences	**(651)**	-
Acquisition of businesses [Note 39(a)(iii) and Note 39(b)(iii)]	**18,241**	71,442
End of financial year	**89,032**	71,442
Accumulated impairment		
Beginning of financial year	**(30,141)**	-
Impairment charge (Note 8)	**-**	(30,141)
End of financial year	**(30,141)**	(30,141)
Net book value	**58,891**	41,301

Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to the business segments.

A segment-level summary of the goodwill allocation is as follows:

	Group	
	2013 **$'000**	2012 $'000
Hospitality management services- Singapore	**41,301**	41,301
Hospitality property ownership	**17,590**	-
	58,891	41,301

23. Intangible assets (continued)

(a) Goodwill arising from business acquisitions (continued)

Impairment test for goodwill (continued)

Management determines the recoverable amount of goodwill based on higher of fair value less cost to sell and value-in-use ("VIU") calculations. For VIU calculations, budgeted net profit margins are determined based on past performance and management's expectations of market developments. The weighted average growth rates used are compared against forecasts included in industry reports. The pre-tax discount rate and terminal yield used reflected specific risks relating to the CGU.

Hospitality management services - Singapore ("management services CGU")

At 31 December 2013, the recoverable amount of the management services CGU was determined based on fair value less cost to sell, which is estimated to be similar to the transacted price under the Business Transfer as described in Note 39(a). The recoverable amount of the management services CGU exceeds the carrying amount and the allocated goodwill is not impaired.

At 31 December 2012, the recoverable amount of the management services CGU was determined based on VIU calculations. Cash flow projections used in VIU calculations were based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period were extrapolated using the weighted average growth rates stated below. The growth rate did not exceed the long-term growth rate for the business in which the CGU operates.

Key assumptions used for VIU calculations:

	2012
Weighted average growth rate	3.5%
Budgeted net profit margin	39.5%
Discount rate	10.0%

In 2012, an impairment charge of $30,141,000 is included in "Other gains - net" in the profit or loss. The impairment charge had arisen from the impairment of the additional goodwill which is a result of using the higher market price of YHS shares on the completion date, instead of the agreed price, to compute the consideration transferred for the acquisition of the businesses in the Asset Swap Transaction [Note 39(b)].

23. Intangible assets (continued)

(a) Goodwill arising from business acquisition (continued)

Hospitality property ownership ("property ownership CGU")

The recoverable amount of the property ownership CGU, acquired in the current financial year as described in Note 39(a), is determined based on VIU calculations. Cash flow projections used in VIU calculations were based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period were extrapolated using growth rates that do not exceed the long-term growth rate for the business in which the CGU operates.

Key assumptions used for VIU calculations:

	2013
Budgeted net profit margin	33.2%
Discount rate	11.0%
Terminal yield	9.0%

At 31 December 2013, the recoverable amount of the property ownership CGU exceeds its carrying value and the allocated goodwill is not impaired.

(b) Hospitality lease and management agreements

	Group	
	2013 **$'000**	2012 $'000
Cost		
Beginning of financial year	**89,060**	-
Acquisition of businesses [Note 39(a)(iii) and Note 39(b)(iii)]	**11,175**	89,060
End of financial year	**100,235**	89,060
Accumulated amortisation		
Beginning of financial year	**(976)**	-
Amortisation charge (Note 5)	**(2,243)**	(976)
End of financial year	**(3,219)**	(976)
Net book value	**97,016**	88,084

The amortisation charge of $2,243,000 (2012: $976,000) is included within "Cost of sales" in the profit or loss.

24. Trade and other payables - current

	Group		Company	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Trade payables:				
- related parties [Note 37(a)]	**5,185**	1,658	**2,830**	-
- non-related parties	**15,055**	8,054	**2,679**	3,522
	20,240	9,712	**5,509**	3,522
Due to customers [Note 15(b)]	**-**	30,370	**-**	-
	20,240	40,082	**5,509**	3,522
Other payables:				
- related parties [Note 37(a)]	**9,432**	715	**-**	672
- non-related parties	**410**	694	**-**	143
- a non-controlling interest	**1,225**	-	**-**	-
	11,067	1,409	**-**	815
Advances from:				
- subsidiaries	**-**	-	**46,147**	45,857
- an associated company	**1,963**	-	**-**	-
- a non-controlling interest	**66,552**	-	**-**	-
Accrual for operating expenses	**29,452**	14,980	**7,614**	10,383
Deposits received	**3,474**	850	**348**	322
Interest payable	**303**	37	**-**	-
Dividend payable (Note 33)	**-**	45,257	**-**	45,257
	112,811	62,533	**54,109**	102,634
	133,051	102,615	**59,618**	106,156

Included in the Group's trade payables is an amount of Nil (2012: $30,370,000) which represents the Group's share in a joint operation's trade payables.

The non-trade balances, including other payables and advances from subsidiaries, an associated company, related parties and a non-controlling interest are unsecured, repayable on demand and interest-free, except for the advances from a non-controlling interest which is repayable within the next 12 months and bear interest at a weighted average effective interest rate of 2.0% (2012: Nil) per annum.

25. Deferred income

	Group		Company	
	2013 **$'000**	2012 $'000	**2013** **$'000**	2012 $'000
Current				
- Grant of leasehold interest	**6,802**	6,797	**6,802**	6,797
- Others	**724**	-	**-**	-
	7,526	6,797	**6,802**	6,797
Non-current				
- Grant of leasehold interest	**323,888**	330,685	**323,888**	330,685
	331,414	337,482	**330,690**	337,482

Grant of leasehold interest

On 27 August 2012, the Group granted 50 years of leasehold interest in the freehold land of Orchard Parade Hotel to Far East Hospitality Trust as part of the REIT Transaction [Note 37(c)]. The proceeds arising from the grant of leasehold interest is recognised on the balance sheets as deferred income and amortised over the lease term of 50 years.

	Group and Company	
	2013 **$'000**	2012 $'000
Deferred income		
- current	**6,802**	6,797
- non-current	**323,888**	330,685
	330,690	337,482

The following amounts are credited to profit or loss during the financial year:

	Group and Company	
	2013 **$'000**	2012 $'000
Rental income	**1,495**	495
Cost of sales (Note 5)	**5,301**	1,862

26. Borrowings

	Group	
	2013	2012 (restated)
	$'000	$'000
Non-current		
Bank borrowings	**89,415**	38,163

The Group's bank borrowings are variable rate borrowings and their fair values approximate their carrying values.

Included in the Group's non-current bank borrowings is an amount of $23,629,000 (2012: $31,720,000) which represents the Group's share of joint operations' bank borrowings.

As at 31 December 2013, the securities for the borrowings are the Group's share of its joint operations' development properties, certain land and buildings under property, plant and equipment, and the assignment of the rights and benefits with respect to these assets.

27. Provisions

	Group	
	2013	2012
	$'000	$'000
Provisions for onerous contracts		
- current	**8,268**	-
- non-current	**14,982**	-
	23,250	-

The onerous contracts relate to the hospitality lease agreements for certain hotels, acquired as part of the STC Transactions [Note 39(a)], where the unavoidable costs of meeting the obligations under the leases exceed the economic benefits expected to be received over their remaining contractual term. The provision for onerous contracts reflects the least net cost of exiting these onerous leases.

27. Provisions (continued)

Movement in provisions for onerous contracts is as follows:

	Group	
	2013	2012
	$'000	$'000
Beginning of financial year	**-**	-
Currency translation differences	**61**	-
Acquisition of business [(Note 39(a)(iii)]	**24,706**	-
Provision utilised	**(1,517)**	-
End of financial year	**23,250**	-

28. Other payables – non-current

	Group		Company	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Other payables – non-related parties	**110**	-	**-**	-
Deposits received	**800**	866	**117**	15
Advances from:				
- subsidiaries	**-**	-	**251,840**	60,588
- joint ventures	**116,962**	75,382	**-**	-
- associated companies	**1,503**	3,016	**-**	-
- non-controlling interests	**60,002**	2	**-**	-
	179,377	79,266	**251,957**	60,603

The advances from subsidiaries, joint ventures and associated companies are unsecured and interest-free, except for an advance from a subsidiary amounting to $160,000,000 (2012: Nil) which bear a weighted average effective interest rate of 2.0% (2012: Nil) per annum. Repayments are not expected within the next 12 months.

28. Other payables – non-current (continued)

The advances from non-controlling interests are unsecured and interest-free, except for the advance from a non-controlling interest amounting to $60,000,000 (2012: Nil). This advance is repayable at its nominal value, or convertible to shares of the subsidiary in whole or in part and in the same proportion as a similar loan from the Company to the same subsidiary, such that the Company's share of equity interest in the subsidiary does not change, at the rate of one share per $1 nominal value of the loan, upon the unanimous approval of the Company and the non-controlling interest. This advance is deemed as part of the non-controlling interest's net investment in the subsidiary as the non-controlling interest has no intention to demand repayment in the foreseeable future. These advances from non-controlling interests are not expected to be repayable within the next 12 months.

The fair values of other non-current payables approximate their carrying values.

29. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		**Company**	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Deferred income tax assets				
- To be recovered after one year	**4,765**	-	**-**	-
Deferred income tax liabilities				
- To be settled within one year	**693**	590	**130**	161
- To be settled after one year	**16,678**	15,621	**518**	565
	17,371	16,211	**648**	726

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately $43,616,000 (2012: $84,548,000) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. These tax losses have no expiry date.

29. Deferred income taxes (continued)

The movement in deferred income tax liabilities and assets (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Revaluation gains - net $'000	Recognition of profits on percentage of completion $'000	Other $'000	Total $'000
2013					
Beginning of financial year	16,211	-	-	-	16,211
(Credited)/charged to:					
- profit or loss	(397)	-	2,300	478	2,381
- equity [Note 31(b)(i)]	-	315	-	-	315
Acquisition of businesses [Note 39(a)(iii)]	739	-	-	-	739
Under provision in prior financial years [Note 10(a)]	25	-	-	-	25
End of financial year	16,578	315	2,300	478	19,671
2012 (restated)					
Beginning of financial year	1,521	22,076	-	1,350	24,947
Credited to:					
- profit or loss	(450)	(30)	-	-	(480)
- equity [Note 31(b)(i)]	-	(153)	-	-	(153)
Acquisition of business [Note 39(b)(iii)]	15,140	-	-	-	15,140
Reversal of deferred tax liability on realisation of asset revaluation surplus [Note 31(b)(i)]	-	(21,893)	-	-	(21,893)
Over provision in prior financial years [Note 10(a)]	-	-	-	(1,350)	(1,350)
End of financial year	16,211	-	-	-	16,211

29. Deferred income taxes (continued)

Group (continued)

Deferred income tax assets

	Tax losses $'000	Other $'000	Total $'000
2013			
Beginning of financial year	-	-	-
Currency translation differences	-	6	6
Acquired during the year	-	(141)	(141)
Credited to profit or loss	(6,930)	-	(6,930)
End of financial year	(6,930)	(135)	(7,065)

There was no deferred income tax asset recognised as at 31 December 2012.

Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000	Revaluation gains - net $'000	Other $'000	Total $'000
2013				
Beginning of financial year	726	-	-	726
Credited to profit or loss	(78)	-	-	(78)
End of financial year	648	-	-	648
2012				
Beginning of financial year	1,014	1,968	1,350	4,332
Credited to:				
- profit or loss	(288)	(30)	-	(318)
- equity	-	(407)	-	(407)
Reversal of deferred tax liability on realisation of asset revaluation surplus [Note 31(b)(i)]	-	(1,531)	-	(1,531)
Over provision in prior financial years	-	-	(1,350)	(1,350)
End of financial year	726	-	-	726

30. Share capital

	Group and Company			
	No. of ordinary shares		Amount	
	2013	2012	**2013**	2012
	'000	'000	**$'000**	$'000
Beginning of financial year	**377,143**	363,309	**394,612**	372,063
Shares issued in-lieu of dividends	**12,769**	13,834	**26,004**	22,549
End of financial year	**389,912**	377,143	**420,616**	394,612

All issued ordinary shares are fully paid and there is no par value for these ordinary shares.

The shares issued in-lieu of dividends rank pari pasu in all respects with the previously issued shares and includes 5,332,000 (2012: Nil) shares totalling $9,864,000 (2012: Nil) relating to dividends declared and payable in the previous financial year.

31. Revaluation and other reserves

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
(a) Composition:				
Capital reserve	**10,557**	-	**-**	-
Asset revaluation reserve	**342,516**	336,423	**339,686**	336,423
Currency translation reserve	**(7,901)**	(2,238)	**-**	-
Fair value reserve	**(564)**	-	**-**	-
Hedging reserve	**(157)**	-	**-**	-
	344,451	334,185	**339,686**	336,423
(b) Movements:				
(i) *Asset revaluation reserve*				
Beginning of financial year	**336,423**	502,608	**336,423**	404,415
Revaluation gains (Note 22)	**6,630**	3,212	**3,263**	1,717
Tax on revaluation gains (Note 29)	**(315)**	153	**-**	407
Transfer to retained profits	**-**	(191,443)	**-**	(71,647)
Reversal of deferred tax liability on realisation of surplus (Note 29)	**-**	21,893	**-**	1,531
Less: Non-controlling interest	**(222)**	-	**-**	-
End of financial year	**342,516**	336,423	**339,686**	336,423

31. Revaluation and other reserves (continued)

	Group		Company	
	2013 **$'000**	2012 $'000	**2013** **$'000**	2012 $'000
(b) Movements: (continued)				
(ii) *Currency translation reserve*				
Beginning of financial year	**(2,238)**	(7,394)	**-**	-
Net currency translation differences of financial statements of foreign subsidiaries and a joint venture	**1,032**	(230)	**-**	-
Net currency translation differences of advances designated as net investments in subsidiaries	**(8,776)**	-	**-**	-
Share of an associated company's reserve (Note 17)	**-**	(1,871)	**-**	-
Reclassification on partial disposal of an associated company	**-**	7,257	**-**	-
Share of a joint venture's reserve (Note 18)	**(201)**	-	**-**	-
Less: Non-controlling interest	**2,282**	-	**-**	-
End of financial year	**(7,901)**	(2,238)	**-**	-
(iii) *Fair value reserve*				
Beginning of financial year	**-**	30,557	**-**	-
Share of an associated company's fair value (losses)/gains on available-for-sale financial assets (Note 17)	**(564)**	30,148	**-**	-
Reclassification on partial disposal of an associated company	**-**	(60,705)	**-**	-
End of financial year	**(564)**	-	**-**	-

31. Revaluation and other reserves (continued)

		Group		Company	
		2013 **$'000**	2012 $'000	**2013** **$'000**	2012 $'000
(b)	Movements: (continued)				
	(iv) *Share-based payment reserve*				
	Beginning of financial year	**-**	253	**-**	-
	Share of an associated company's reserve (Note 17)	**-**	(59)	**-**	-
	Reclassification on partial disposal of an associated company	**-**	(194)	**-**	-
	End of financial year	**-**	-	**-**	-
	(v) *Hedging reserve*				
	Beginning of financial year	**-**	-	**-**	-
	Fair value losses	**5,814**	-	**-**	-
	Reclassification to investments in joint ventures (Note 18)	**(5,814)**	-	**-**	-
	Share of a joint venture's reserve (Note 18)	**(225)**	-	**-**	-
	Less: Non-controlling interest	**68**	-	**-**	-
	End of financial year	**(157)**	-	**-**	-
	(vi) *Capital reserve*				
	Beginning of financial year	**-**	-	**-**	-
	Dilution of interest in the business of a subsidiary *	**10,557**	-	**-**	-
	End of financial year	**10,557**	-	**-**	-

*The capital reserve arising from dilution of interest in the business of a subsidiary relates to the difference between the non-controlling interest's share of the carrying value of the business and the fair value of the consideration received as described in Note 39(a).

Revaluation and other reserves are non-distributable.

32. Retained profits

(a) Retained profits of the Group are distributable except for the accumulated retained profits of joint ventures and associated companies amounting to $29,802,000 (2012: $21,892,000).

32. Retained profits (continued)

(b) Movement in retained profits for the Company is as follows:

	Company	
	2013 $'000	2012 $'000
Beginning of financial year	**301,181**	52,476
Net profit	**8,299**	581,513
Shares issued in-lieu of dividends (Note 33)	**(16,140)**	(22,549)
Dividends paid to shareholders in cash (Note 33)	**(6,807)**	(10,141)
Dividend in specie (Note 33)	**-**	(326,508)
Special dividend (Note 33)	**-**	(45,257)
Transfer from asset revaluation reserve [Note 31(b)(i)]	**-**	71,647
End of financial year	**286,533**	301,181

33. Dividends

	Group		Company	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000
Ordinary dividends				
Final dividend of 6 cents per share paid in respect of the previous financial year (2012: 9 cents per share)				
- Shares issued in-lieu of dividends (Note 32)	**16,140**	22,549	**16,140**	22,549
- Dividends paid to shareholders in cash (Note 32)	**6,807**	10,141	**6,807**	10,141
Special dividends				
Special dividend of 12 cents per share (Note 32)	**-**	45,257	**-**	45,257
Dividend in specie of 0.22086 YHS share per share	**-**	120,050	**-**	326,508
	22,947	197,997	**22,947**	404,455

At the Annual General Meeting on 24 April 2014, a final dividend of 6 cents per share amounting to a total of $23,395,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2014.

34. Commitments

(a) Corporate guarantees

Corporate guarantees issued by the Company to banks in respect of banking facilities granted to the subsidiaries and joint ventures are disclosed in Note 35(b).

(b) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to the Group's share of capital commitments of its material associated companies (Note 17) and material joint ventures (Note 18), are as follows:

	Group		Company	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Development properties	**26,469**	35,161	**-**	-
Investment in joint ventures	**97,112**	-	**-**	-
Property, plant and equipment	**13,310**	19,136	**-**	-
	136,891	54,297	**-**	-

(c) Operating lease commitments - where the Group is a lessor

The Group and Company leases out investment properties to related-parties and non-related parties under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Not later than one year				
- related parties [Note 37(a)]	**338**	18	**337**	18
- non-related parties	**6,077**	5,141	**129**	137
	6,415	5,159	**466**	155
Between one and five years				
- related parties [Note 37(a)]	**117**	-	**117**	-
- non-related parties	**10,153**	4,725	**88**	-
	10,270	4,725	**205**	-
Later than five years				
- non-related parties	**944**	114	**-**	-
	17,629	9,998	**671**	155

34. **Commitments** (continued)

(d) Operating lease commitments - where the Group is a lessee

The Group and Company leases hotels, serviced residences and offices from related parties and non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		**Company**	
	2013 **$'000**	2012 $'000	**2013** **$'000**	2012 $'000
Not later than one year				
- related parties [Note 37(a)]	**17,767**	17,814	**10,340**	10,378
- non-related parties	**16,541**	-	**-**	-
	34,308	17,814	**10,340**	10,378
Between one and five years				
- related parties [Note 37(a)]	**68,260**	68,500	**40,000**	40,243
- non-related parties	**19,066**	-	**-**	-
	87,326	68,500	**40,000**	40,243
Later than five years				
- related parties [Note 37(a)]	**232,085**	249,085	**136,521**	146,521
- non-related parties	**4,466**	-	**-**	-
	236,551	249,085	**136,521**	146,521
	358,185	335,399	**186,861**	197,142

Included in the above are commitments of the Group under non-cancellable lease rentals that relate to the fixed portion over the remaining tenure of the initial lease term due to related parties and non-related parties. In addition to the fixed portion, contingent lease rentals determined based on a percentage of gross operating revenue and gross operating profits of these properties have also been committed.

35. Financial risk management

The Group's activities expose it to market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management objective is to effectively manage these risks and minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out by a team within the management of the Group.

(a) Market risk

(i) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets other than fixed deposits with banks, the Group's income is substantially independent of changes in market interest rates.

The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Company's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings and advances from/to subsidiaries at variable rates. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

The borrowings of the Group at variable rates are mainly denominated in Singapore Dollars ("SGD") and Australian Dollars ("AUD"). If the SGD interest rates had increased/ decreased by 1.8% (2012: 0.4%) and AUD interest rates had increased/ decreased by 1.8% (2012: Nil) with all other variables including tax rate being held constant, the profit after tax of the Group would have been lower/higher by $291,000 (2012: $65,000) and $593,000 (2012: Nil) respectively as a result of higher/lower interest expense on these borrowings.

(ii) Currency risk

Arising from the significant transactions during the current financial year as described in Note 39(a), the Group now operates predominantly in Singapore, Australia, Malaysia and New Zealand. The entities within the Group transact in currencies other than their respective functional currencies ("foreign currencies"). Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the Australian Dollar ("AUD"), Singapore Dollar ("SGD") and Malaysian Ringgit ("MYR"). Where such currency risk becomes significant, the Group considers the use of currency swaps and forwards to manage the risk.

35. Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in Australia and Malaysia are managed through borrowings denominated in the relevant foreign currencies.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	AUD $'000	MYR $'000	Other $'000	Total $'000
At 31 December 2013					
Financial assets					
Cash and cash equivalents	239,024	24,513	18	1,420	264,975
Trade and other receivables	89,828	10,251	32	2,230	102,341
Intra-group receivables	156,385	11,678	-	-	168,063
	485,237	46,442	50	3,650	535,379
Financial liabilities					
Borrowings	(23,568)	(47,079)	(18,768)	-	(89,415)
Trade and other payables	(272,833)	(32,260)	(3,233)	(4,102)	(312,428)
Intra-group payables	(156,385)	(11,678)	-	-	(168,063)
	(452,786)	(91,017)	(22,001)	(4,102)	(569,906)
Net financial assets/(liabilities)	32,451	(44,575)	(21,951)	(452)	(34,527)
Less: Net financial assets/(liabilities) denominated in the respective entities' functional currencies	(189,128)	45,836	21,951	766	(120,575)
Net currency exposure	(156,677)	1,261	-	314	(155,102)

For the financial year ended 31 December 2012, the Group's currency exposure to foreign currency risk was not significant as most of its transactions are denominated in Singapore Dollars, except for its Malaysian subsidiary, where transactions are denominated in Malaysian Ringgit. The Malaysian subsidiary mainly owns a freehold property in Kuala Lumpur, Malaysia [Note 22(e)] which is being redeveloped into serviced residences. The subsidiary has a majority of its financial assets and liabilities denominated in its functional currency and therefore do not present any significant foreign currency risk to the Group.

35. Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

If the AUD strengthened/weakened against the SGD by 5% with all other variables including tax rate being held constant, the Group's profit after tax for the financial year would have been $7,771,000 higher/lower.

The Company's business is not exposed to any significant foreign exchange risk as the majority of its financial assets and liabilities are denominated in Singapore Dollars.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and/or requiring deposits to be placed with the Group prior to provision of certain of its services. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group has no significant concentrations of credit risk and has in place credit policies and procedures to ensure on-going credit evaluation and active account monitoring.

35. Financial risk management (continued)

(b) Credit risk (continued)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet. In addition, the Company has off-balance sheet exposure to credit risk as follows:

	Company	
	2013	2012
	$'000	$'000
Corporate guarantees provided to banks on banking facilities of subsidiaries and joint ventures	**56,868**	70,375

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with reputable banks. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

35. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2013 **$'000**	2012 $'000	**2013** **$'000**	2012 $'000
Past due 0 to 2 months	**5,236**	3,564	**717**	789
Past due 2 to 4 months	**357**	426	**6**	5
Past due over 4 months	**144**	-	**-**	-
	5,737	3,990	**723**	794

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2013 **$'000**	2012 $'000	**2013** **$'000**	2012 $'000
Gross amount	**92**	-	**-**	-
Less: Allowance for impairment losses	**(92)**	-	**-**	-
	-	-	**-**	-
Beginning of financial year	**-**	783	**-**	-
Allowance made/ (written back)	**109**	(771)	**-**	-
Allowance utilised	**(17)**	(12)	**-**	-
End of financial year	**92**	-	**-**	-

The impaired trade receivables arise mainly from sales to customers with significant delay in payments.

35. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, as well as the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 12.

The Group and the Company manage the liquidity risk by maintaining sufficient cash to meet the normal operating commitments and having an adequate amount of committed credit facilities.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Group				
At 31 December 2013				
Trade and other payables	133,051	-	-	-
Borrowings	5,010	90,058	-	-
Other non-current payables	-	118,853	524	60,000
	138,061	**208,911**	**524**	**60,000**
At 31 December 2012 (restated)				
Trade and other payables	72,245	-	-	-
Borrowings	903	19,933	19,577	-
Other non-current payables	-	78,969	297	-
	73,148	98,902	19,874	-
Company				
At 31 December 2013				
Trade and other payables	59,618	-	-	-
Other non-current payables	-	251,840	117	-
Financial guarantees for borrowings of subsidiaries and joint ventures	56,868	-	-	-
	116,486	**251,840**	**117**	**-**
At 31 December 2012				
Trade and other payables	106,156	-	-	-
Other non-current payables	-	60,603	-	-
Financial guarantees for borrowings of subsidiaries and joint ventures	70,375	-	-	-
	176,531	60,603	-	-

35. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. Consistent with how management monitors capital, the gearing ratio is calculated as total borrowings divided by total equity.

	Group		**Company**	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Total borrowings	**89,415**	38,163	**-**	-
Total equity	**1,152,200**	1,100,050	**1,046,835**	1,032,216
Gearing ratio (%)	**8%**	3%	**-**	-

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2013 and 2012. The Company is not subject to any externally imposed capital requirements for the financial years ended 31 December 2013 and 2012.

(e) Fair value measurements

The Group presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

35. Financial risk management (continued)

(e) Fair value measurements (continued)

Available-for-sale financial assets are unlisted securities that are not traded in an active market. These financial instruments are fully impaired as at the end of financial year. There are no movements as at 31 December 2013 and 2012 in the carrying amount and impairment provision, which are disclosed under Note 20. These instruments are based on significant unobservable inputs and classified as Level 3.

The carrying amount less impairment provision of current assets and liabilities are assumed to approximate their fair values.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 20 to the financial statements, except for the following:

	Group		**Company**	
	2013	2012 (restated)	**2013**	2012
	$'000	$'000	**$'000**	$'000
Loans and receivables	**367,316**	500,882	**649,435**	573,955
Financial liabilities at amortised cost	**401,843**	189,674	**311,575**	166,759

36. Immediate and ultimate holding company

The Company's immediate and ultimate holding company is Far East Organisation Pte Ltd, incorporated in Singapore.

37. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2013 **$'000**	2012 $'000 (restated)
Amount billed to/(by) joint ventures:		
- Management fees	**259**	763
- Hospitality and other management fees	**(1,769)**	-
Amount billed to/(by) other related parties:		
- Hospitality and other management fees	**15,666**	5,347
- Administrative income	**342**	-
- Rental income	**240**	1,429
- Sale of goods and services	**621**	487
- Purchase of hospitality services and other support services	**(4,792)**	(5,805)
- Rental expense on operating leases		
• offices	**(961)**	(274)
• hotels and serviced residences	**(30,077)**	(10,571)
- Purchase of goods and services	**(716)**	(827)
Payments made on behalf for other related parties	**624**	400

Other related parties comprise companies that are controlled by the shareholders of the Company's ultimate holding company (Note 36).

Outstanding balances at 31 December 2013, arising from deposits, sale and purchase of goods and services are set out in Notes 13, 20, 24 and 28 respectively.

37. Related party transactions (continued)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2013	2012
	$'000	$'000
Wages and salaries	**2,734**	1,928
Employer's contribution to defined contribution plans, including Central Provident Fund	**55**	61
Directors' fees	**469**	468
	3,258	2,457

Included in the above is total compensation to directors of the Company amounting to $2,279,000 (2012: $1,708,000).

Details on directors' remuneration are disclosed in the Corporate Governance Statement.

(c) Restructuring during the financial year ended 31 December 2012

At the Extraordinary General Meeting on 11 July 2012, the shareholders of the Company approved the proposed restructuring of the Group involving a REIT Transaction and an Asset Swap Transaction (each as described below) subject to the successful listing of the Far East Hospitality Trust ("Far East H-Trust"). The listing of Far East H-Trust was completed on 27 August 2012 and consequently, the Group completed the REIT Transaction and Asset Swap Transaction on the same day.

Following the approval of the proposed restructuring of the Group, to gain an additional platform for the Group's growth and to demonstrate its participation in the management of Far East H-Trust, the Group acquired a 33% interest in FEO Hospitality Asset Management Pte. Ltd. (manager of Far East Hospitality Real Estate Investment Trust) and FEO Hospitality Trust Management Pte. Ltd. (trustee-manager of Far East Hospitality Business Trust) for a cash consideration of $696,000 and $33 respectively. The 33% interest has been treated as an associated company and equity accounted for.

37. **Related party transactions** (continued)

(c) Restructuring during the financial year ended 31 December 2012 (continued)

REIT Transaction

Under the REIT Transaction, the Group completed the sale of leasehold interests in three of its hospitality assets to Far East H-Trust: 50-year leasehold interest in Orchard Parade Hotel, 75-year leasehold interest in Village Hotel Albert Court and 80-year leasehold interest in Village Residence Clarke Quay commencing from 27 August 2012 for a cash consideration of $716,570,000. Far East H-Trust has, in turn, entered into agreements ("Master Lease Agreements") on 27 August 2012 to lease all three hospitality assets, excluding the commercial premises, back to the Group for an initial 20 years and an extendable term of another 20 years at the option of the Group. In accordance with the Master Lease Agreements, the Group is the lessee ("Master Lessee") and Far East H-Trust is the lessor ("Master Lessor"). The Master Lessee is required to pay the Master Lessor an annual rental for the duration of the term (initial and extended term) of each Master Lease Agreement comprising a fixed rent for each hospitality asset or a variable rent computed based on the sum of a fixed percentage of the hospitality asset's gross operating revenue and gross operating profit, whichever is higher.

Asset Swap Transaction

Under the Asset Swap Transaction, the Group (through its wholly-owned subsidiary, Jelco Properties Pte Ltd ("JPPL")) completed the acquisition of medical suites in Novena Medical Center ("NMC") and Novena Specialist Center ("NSC") and the hospitality management business from Novena Point Pte Ltd ("NPPL"), Transurban Properties Pte. Ltd. ("TPPL") and Far East Hospitality Services Pte Ltd ("FEHS") respectively. NPPL, TPPL and FEHS are related parties of the Group being companies that are controlled by the shareholders of the Company's ultimate holding company (Note 36). The purchase consideration is satisfied by 200,942,854 ordinary shares of Yeo Hiap Seng Limited ("YHS") held by the Group (through JPPL) at an agreed price of $1.80 per YHS share and $58,653,000 in cash.

With the acquisition of the hospitality management business, the hospitality management agreements of FEHS are novated to the Group (through JPPL). In accordance with the hospitality management agreements, the Group acts as the operator of the assets of the Far East H-Trust and other related parties for which it receives management fees. The Group also entered into further agreements (Property Management Agreements) with Far East H-Trust to operate the commercial premises of its assets for which it receives management fees.

38. Segment information

Management has determined the operating segments based on the reports reviewed by the Group's chief operating decision maker ("CODM") that are used to make strategic decisions.

After the Toga and STC Transactions as described in Note 39(a), the CODM considers the business from both a geographical and business perspective. The Group's key business segments operate in various geographical areas.

The Group's hospitality business, which comprises hospitality property ownership, hospitality operations and hospitality management services, are located predominantly in Singapore, Australia, New Zealand and Malaysia.

The Group's property business, which comprises property development and property investment, are in Singapore only.

The Group's investments segment relates to cash and cash equivalents and investments in equity shares in Singapore.

38. Segment information (continued)

The segment information provided to the CODM for the reportable segments is as follows:

	Hospitality				Property		Investments	Total
	Management services - Singapore $'000	Operations - Singapore $'000	Operations - Australia and New Zealand $'000	Property Ownership $'000	Property development $'000	Property investment $'000	$'000	$'000
2013								
Sales								
Total segment sales	19,575	55,346	13,706	11,423	54,146	8,351	-	162,547
Inter-segment sales	(3,852)	(126)	-	-	-	-	-	(3,978)
Sales to external parties	15,723	55,220	13,706	11,423	54,146	8,351	-	158,569
Operating profit	2,148	3,019	730	2,012	13,989	5,200	1,950	29,048
Corporate expenses								(13,012)
Fair value gains on investment properties	-	-	-	-	-	14,700	-	14,700
Acquisition-related costs								(16,915)
Share of results of								
- joint ventures accounted for using equity method	-	-	4,378	-	(258)	-	-	4,120
- associated companies	-	-	-	-	38	-	3,070	3,108
Profit before income tax								21,049
Income tax credit								463
Net profit								21,512
Segment assets	147,478	393,792	49,223	252,224	305,202	282,076	210,865	1,640,860
Joint ventures	-	-	149,566	-	132,601	-	-	282,167
Associated companies	-	-	-	-	3,822	-	3,990	7,812
Total assets								1,930,839

38. Segment information (continued)

	Hospitality			Property		Investments	Total
	Management services - Singapore $'000	Operations - Singapore $'000	Property ownership $'000	Property development $'000	Property investment $'000	$'000	$'000
2012 (restated)							
Sales							
Total segment sales	6,645	19,599	35,882	4,157	10,399	-	76,682
Inter-segment sales	(1,298)	-	(208)	-	-	-	(1,506)
Sales to external parties	5,347	19,599	35,674	4,157	10,399	-	75,176
Operating profit	1,701	1,501	15,319	(446)	6,955	1,075	26,105
Corporate expenses							(14,424)
Fair value gains on investment properties	-	-	-	-	5,541	-	5,541
Gain arising on dilution of interest in an associated company							2
Effects of REIT and Asset Swap Transactions							115,353
Share of results of							
- joint ventures accounted for using equity method	-	-	-	24,157	-	-	24,157
- associated companies	-	-	-	(17)	-	788	771
- partially disposed associated company[1]							31,847
Profit before income tax							189,352
Income tax credit							1,403
Net profit							190,755
Segment assets	136,988	388,766	18,066	294,058	268,126	433,144	1,539,148
Joint ventures	-	-	-	132,559	-	-	132,559
Associated companies	-	-	-	3,784	-	1,484	5,268
Total assets							1,676,975

(1) This relates to investment held in an associated company, Yeo Hiap Seng Limited.

38. Segment information (continued)

There are no revenues from transactions with a single external customer that accounts for 10 per cent or more of the Group's revenue for the financial years ended 31 December 2013 and 2012.

39. Significant transactions

(a) During the financial year, the Company incorporated a subsidiary, Far East Hospitality Holdings Pte. Ltd. ("FEHH"), which it retained a 70% equity interest. The principal activity is that of investment holding with the objective of expanding the hospitality business of the Group.

At the Extraordinary General Meeting on 9 July 2013, the shareholders of the Company approved the

- transaction with Toga Pty Ltd (the "Toga Transaction")
- transactions with The Straits Trading Company Limited (the "STC Transactions"); and
- transfer of the hospitality business from Jelco Properties Pte Ltd ("JPPL"), a 100% owned subsidiary, to Far East Hospitality Management (S) Pte. Ltd. ("FEHMS") which is a wholly-owned subsidiary of FEHH (the "Business Transfer").

The Toga Transaction (Acquisition of interest in a joint venture)

On 6 August 2013, the Group through Far East Hospitality Investments (Australia) Pte. Ltd. ("FEHIA"), which is a wholly-owned subsidiary of FEHH, committed to subscribe to 225,000,000 new securities in Toga Hotel Holdings Unit Trust ("Toga Trust") that represents 50% of its total issued securities, for a consideration of approximately A$210,084,000. As at the balance sheet date, the subscription has been partially paid up to $146,992,000 (equivalent to A$124,000,000), representing approximately 37% of Toga Trust's issued securities. The balance of the consideration is payable, in full or in part, when the Toga Trust requires the funds and/or payable in full on 5 February 2015.

Toga Trust is deemed to be a joint venture of the Group as the appointment of its trustee's directors and the allocation of voting rights for key business decisions require the unanimous approval of Toga Trust's venturers. The Group's share of net profits and net assets in Toga Trust is proportionally adjusted to the extent that the securities are partially paid up.

39. Significant transactions (continued)

(a) (continued)

The STC Transactions (Acquisition of businesses)

On 1 November 2013, the Group through

- FEHH, acquired 100% equity interest in Rendezvous Hotels International Private Limited and its subsidiaries (the "RHI group"). The principal activity of the RHI group is that of hospitality management predominantly in Australia and New Zealand; and

- Far East Hospitality Properties (Australia) Pte. Ltd. ("FEHPA"), which is a wholly-owned subsidiary of FEHH, acquired three hotel businesses in Western Australia and Victoria, Australia,

from The Straits Trading Company Limited and its subsidiaries ("STC").

As a result of the acquisition of businesses from STC, the Group is expected to increase its presence in Australia and New Zealand.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at the completion date, are as follows:

(i) Purchase consideration

	$'000
Cash paid	76,180
30,000,000 FEHH shares*	101,220
Consideration transferred for the businesses	**177,400**

**Representing 30% equity interest in FEHH*

The fair value of the FEHH shares is determined based on the fair value of its net assets at the completion date.

(ii) Effect on cash flows of the Group

	$'000
Cash paid (as above)	76,180
Less: Cash and cash equivalents in subsidiaries acquired	(14,160)
Cash outflow on acquisition	**62,020**

39. Significant transactions (continued)

(a) (continued)

The STC Transactions (Acquisition of businesses) (continued)

(iii) Identifiable assets acquired and liabilities assumed

	$'000
Cash and cash equivalents	14,160
Trade and other receivables	11,023
Inventories	582
Investment properties (Note 21)	26,447
Property, plant and equipment (Note 22)	185,036
Hospitality lease and management agreements (included in intangible assets) [Note 23(b)]	11,175
Current income tax liabilities [Note 10(b)]	81
Total assets	248,504
Trade and other payables	(14,844)
Borrowings	(49,056)
Deferred income tax liabilities (Note 29)	(739)
Provision for onerous contracts (Note 27)	(24,706)
Total liabilities	(89,345)
Total identifiable net assets	**159,159**
Add: Goodwill [Note 23(a)]	18,241
Consideration transferred for the businesses	**177,400**

(iv) Goodwill

The goodwill of $18,241,000 arising from the acquisitions is attributable to the hospitality property ownership portfolio in Australia and the synergies expected to arise from the economics of scale in combining the operations from the acquired businesses with those of Toga Trust and the Group.

39. Significant transactions (continued)

(a) (continued)

The STC Transactions (Acquisition of businesses) (continued)

(v) Revenue and profit contribution

The acquired business contributed revenue of $25,129,000 and net profit of $995,000 to the Group for the period from 1 November 2013 to 31 December 2013.

Had the businesses been consolidated from 1 January 2013, consolidated revenue and consolidated profit for the year of the Group ended 31 December 2013 would have been $240,206,000 and $10,302,000 respectively.

The Business Transfer

On 1 November 2013, the Group through FEHMS, which is a wholly-owned subsidiary of FEHH, completed the Business Transfer for a consideration of $160,000,000. The Business Transfer is deemed to be a capital reorganisation and the assets and liabilities transferred are measured at their carrying values at the completion date, with a capital reserve of $10,557,000 arising from the transaction with the non-controlling interest recognised in FEHH [Note 31(b)(vi)].

Acquisition-related costs

Acquisition-related costs for the above three transactions of $16,915,000, including non-audit fees of $1,437,000 paid/payable to the auditors of the Company, are included in "Other expenses" in the profit or loss and in operating cash flows in the consolidated statement of cash flows.

(b) Asset Swap Transaction

As described in Note 37(c), under the Asset Swap Transaction, on 27 August 2012, the Group (through its wholly-owned subsidiary, JPPL) completed the acquisition of medical suites in NMC and NSC and the hospitality management business from NPPL, TPPL and FEHS respectively. As a result of the acquisition of the:

- hospitality management business, the Group is expected to become a vertically-integrated hospitality operator with the ability to both develop its own hospitality properties as well as manage a significant hospitality management business; and
- medical suites, the Group will have the opportunity to participate in the growing healthcare industry in Singapore and in the increasing demand for healthcare space.

39. Significant transactions (continued)

(b) Asset Swap Transaction (continued)

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at completion date, are as follows:

(i) Purchase consideration

	$'000
Cash paid	58,653
200,942,854 YHS shares	391,839
Consideration transferred for the businesses	**450,492**

(ii) Effect on cash flows of the Group

	$'000
Cash paid (as above)	58,653
Cash outflow on acquisition	**58,653**

(iii) Identifiable assets acquired and liabilities assumed

	$'000
Medical suites [included in properties held for sale (Note 16) and investment properties (Note 21)]	305,350
Hospitality management agreements (included in intangible assets) [Note 23(b)]	89,060
Property, plant and equipment (Note 22)	320
Total assets	394,730
Deferred income tax liabilities (Note 29)	(15,140)
Other payables	(540)
Total liabilities	(15,680)
Total identifiable net assets	**379,050**
Add: Goodwill [Note 23(a)]	71,442
Consideration transferred for the businesses	**450,492**

(iv) Acquisition-related costs

Acquisition-related costs of $9,150,000 are included in "Other gains - net" in the profit or loss and in operating cash flows in the consolidated statement of cash flows.

39. Significant transactions (continued)

(b) Asset Swap Transaction (continued)

(v) Goodwill

The goodwill of $71,442,000 arising from the acquisition is attributable to:

- the additional goodwill, that amounts to $30,141,000, which is a result of using the market price of YHS shares on the completion date, instead of the agreed price, to compute the consideration transferred for the acquisition of the businesses in the Asset Swap Transaction; and

- the existence of an assembled hospitality management workforce that permits the Group to continue to operate the acquired business from the completion date.

The additional goodwill of $30,141,000 is impaired upon acquisition [Note 23(a)].

(vi) Revenue and profit contribution

The acquired businesses contributed revenue of $10,324,000 and net profit of $2,248,000 to the Group for the period from 27 August 2012 to 31 December 2012.

Had the businesses been consolidated from 1 January 2012, consolidated revenue and consolidated profit of the Group for the year ended 31 December 2012 would have been $84,036,000 (restated) and $192,489,000 respectively.

40. New or revised accounting standards and interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2014. The Group and Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

41. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Far East Orchard Limited on 27 March 2014.

42. Listing of companies in the Group

Set out below are the Group's subsidiaries, associated companies and joint ventures. The country of incorporation or registration is also their place of principal place of business except as disclosed.

Name of company	Principal activities	Country of incorporation	Cost of investment		Ownership interest held by the Group		Ownership interest held by the NCI	
			2013 $'000	2012 $'000	**2013 %**	2012 %	**2013 %**	2012 %
Subsidiaries held by the Company								
Stable Properties Pte Ltd(a)	Property investment	Singapore	*	*	**100**	100	**-**	-
First Choice Properties Pte Ltd(a)	Operation of hotel	Singapore	**12,083**	12,083	**100**	100	**-**	-
Tannery Holdings Pte Ltd(a)	Property development and investment	Singapore	*	*	**100**	100	**-**	-
Pinehigh Development Sdn Bhd(b)	Property investment and development	Malaysia	*	*	**100**	100	**-**	-
Westview Properties Pte Ltd(g)	Property development	Singapore	**17,370**	17,370	**100**	100	**-**	-
Jadevine Limited(g)	Property development	Singapore	**26,018**	26,018	**100**	100	**-**	-
Pearlvine Pte Ltd(a)	Property development	Singapore	**7,863**	7,863	**100**	100	**-**	-
OPH Property Limited(a)	Investment holding	Singapore	*	*	**100**	100	**-**	-
OPH Westcove Pte Ltd(g)	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
OPH Zenith Pte Ltd(a)	Investment holding	Singapore	*	*	**100**	100	**-**	-
OPH Riverside Pte Ltd(a)	Operation of serviced residences	Singapore	**30,972**	30,972	**100**	100	**-**	-
OPH Investments Pte Ltd(a)	Investment holding	Singapore	*	*	**100**	100	**-**	-
OPH Marymount Limited(a)	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
OPH Orion Limited(a)	Investment holding	Singapore	*	*	**100**	100	**-**	-
Jelco Properties Pte Ltd(a)	Investment holding and management of hospitality and other properties	Singapore	**396,100**	396,100	**100**	100	**-**	-
OPH Investment Trading Pte Ltd(a)	Investment trading and holding	Singapore	*	*	**100**	100	**-**	-
Seasons Green Limited(a)	Property development	Singapore	**800**	800	**80**	80	**20**	20
Far East Hospitality Holdings Pte. Ltd.(a)	Investment holding	Singapore	**70,001**	-	**70**	-	**30**	-
			563,207	493,206				

42. Listing of companies in the Group (continued)

Name of company	Principal activities	Country of incorporation	Cost of investment		Ownership interest held by the Group		Ownership interest held by the NCI	
			2013 $'000	2012 $'000	**2013 %**	2012 %	**2013 %**	2012 %
Subsidiaries held by the Company's subsidiary								
Far East Hospitality Management (S) Pte. Ltd.(a)	Management of hospitality and other properties	Singapore	**10,000**	-	**70**	-	**30**	-
Far East Hospitality Properties (Australia) Pte. Ltd.(a)	Investment holding	Singapore(h)	**10,000**	-	**70**	-	**30**	-
Far East Hospitality Investments (Australia) Pte. Ltd.(a)	Investment holding	Singapore(h)	**10,000**	-	**70**	-	**30**	-
Rendezvous Hotels International Private Limited(c)	Investment holding and hospitality management	Australia	**10,290**	-	**70**	-	**30**	-
Rendezvous Hotels (NZ) Ltd(d)	Operation of hotels	New Zealand	*****	-	**70**	-	**30**	-
Marque Hotels International Pty Ltd(d)	Operation of hotels	Australia	*****	-	**70**	-	**30**	-
Rendezvous Hotels (Australia) Pty Ltd(d)	Operation of hotels	Australia	**1,141**	-	**70**	-	**30**	-
Allegra Hotel Pty Ltd(d)	Operation of hotel	Australia	**689**	-	**70**	-	**30**	-
			42,120	-				

42. Listing of companies in the Group (continued)

Name of company	Principal activities	Country of incorporation	Ownership interest held by the Group		Ownership interest held by the NCI	
			2013 %	2012 %	**2013 %**	2012 %
A joint venture held by the Company						
WaterVine Homes Pte Ltd(c)	Property development	Singapore	**30**	-	**-**	-
Joint ventures held by subsidiaries						
Joint venture of:						
OPH Orion Limited:						
Orwin Development Limited(a)(i)	Property development	Singapore	**60**	60	**-**	-
Pearlvine Pte Ltd:						
Far East Opus Pte. Ltd.(a)	Property development	Singapore	**20**	20	**-**	-
Far East Hospitality Investments (Australia) Pte. Ltd.:						
Toga Hotel Holdings Unit Trust(e)	Hospitality management and hospitality assets	Australia	**26**	-	**11**	-
Associated companies held by subsidiaries						
Associated company of:						
OPH Property Limited:						
Hill Grove Realty Limited(a)	Property development	Singapore	**50**	50	**-**	-
OPH Zenith Pte Ltd:						
Seasons Park Limited(g)	Property development	Singapore	**50**	50	**-**	-
OPH Investments Pte Ltd:						
Minard Investment Limited(f)	Investment holding	British Virgin Islands	**25**	25	**-**	-
Associated companies held by the Company						
FEO Hospitality Asset Management Pte. Ltd.(c)	REIT Manager of Far East Hospitality Trust	Singapore	**33**	33	**-**	-
FEO Hospitality Trust Management Pte. Ltd.(c)	Trustee-Manager of Far East Hospitality Trust	Singapore	**33**	33	**-**	-

** Cost of investment less than $1,000*

(a) Audited by PricewaterhouseCoopers LLP, Singapore.
(b) Audited by Roger Yue, Tan & Associates, Malaysia.
(c) Audited by Ernst and Young, Singapore.
(d) Audited by Ernst and Young, Perth.
(e) Audited by PricewaterhouseCoopers LLP, Sydney.
(f) Not required to be audited under the laws of the country of incorporation.
(g) Voluntary liquidation in progress.
(h) Principal place of operation being Australia
(i) Orwin Development Limited is a subsidiary of the Group under the Singapore Companies Act, Cap. 50, by virtue of the Group's equity interests exceeding 50%. However, for accounting purposes, Orwin Development Limited is regarded as a joint venture (Note 18) in accordance with FRS 111 Joint Arrangements because a contractual agreement exists between the shareholders which requires unanimous consent from the shareholders for all relevant activities relating to the company.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FAR EAST ORCHARD LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The information in this Appendix III has been reproduced from the announcement on 27 February 2015 of the unaudited consolidated financial statements of Far East Orchard Limited and its subsidiaries for the financial year ended 31 December 2014 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

PART I INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

1 (a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	12 months ended 31 December		
	2014	2013	Increase / (Decrease)
	S$'000	S$'000	%
Sales	**315,537**	158,569	99.0
Cost of sales	**(231,110)**	(114,040)	>100
Gross profit	**84,427**	44,529	89.6
Other income	**3,896**	3,099	25.7
Other gains – net	**3,634**	11,004	(67.0)
Expenses			
- Distribution and marketing	**(11,672)**	(8,007)	45.8
- Administrative	**(27,550)**	(15,519)	77.5
- Finance	**(4,321)**	(812)	>100
- Other	**(8,102)**	(20,473)	(60.4)
Share of results of			
- joint ventures accounted for using equity method	**5,797**	4,120	40.7
- associated companies	**2,649**	3,108	(14.8)
Profit before income tax	**48,758**	21,049	>100
Income tax (expense)/credit	**(13,279)**	463	nm
Net profit	**35,479**	21,512	64.9

Please refer to item 8 for the review of the performance of the Group.

Consolidated Statement of Comprehensive Income (continued)

	12 months ended 31 December		
	2014	2013	Increase / (Decrease)
	S$'000	S$'000	%
Net profit	**35,479**	21,512	64.9
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value losses	**-**	(5,814)	nm
- Reclassification	**-**	5,814	nm
Share of other comprehensive income/(loss) of			
- joint ventures accounted for using equity method	**7,215**	(426)	nm
- associated companies	**(61)**	(564)	(89.2)
Currency translation losses arising from consolidation	**(8,959)**	(7,744)	15.7
	(1,805)	(8,734)	(79.3)
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gains on property, plant and equipment - net	**7,102**	6,630	7.1
Tax on revaluation gains	**(7,350)**	(315)	>100
Other comprehensive loss, net of tax	**(2,053)**	(2,419)	(15.1)
Total comprehensive income	**33,426**	19,093	75.1
Net profit attributable to:			
Equity holders of the Company	**35,498**	29,385	20.8
Non-controlling interests	**(19)**	(7,873)	(99.8)
	35,479	21,512	64.9
Total comprehensive income attributable to:			
Equity holders of the Company	**31,050**	29,094	6.7
Non-controlling interests	**2,376**	(10,001)	nm
	33,426	19,093	75.1

nm : not meaningful

1 (a)(ii) **Other profit and loss items disclosure**

	12 months ended 31 December		
	2014	2013	Increase / (Decrease)
	S$'000	S$'000	%
The following items were credited/(charged) to the income statement:			
Other income			
Interest income			
- Bank deposits	**1,362**	1,971	(30.9)
- Advances to joint ventures	**1,848**	669	>100
Cost of sales, administrative and other expenses			
Depreciation of property, plant and equipment	**(9,334)**	(3,499)	>100
Amortisation of intangible assets	**(3,781)**	(2,243)	68.6
Bad debts written off	**-**	(2)	nm
Doubtful debts write-back/(allowance)	**92**	(109)	nm
Foreseeable loss on a development property	**-**	(459)	nm
Acquisition-related costs	**(1,394)**	(16,915)	(91.8)
Other gains – net			
Fair value gains on investment properties	**12,578**	14,700	(14.4)
Impairment loss on country club membership	**(59)**	-	nm
(Loss)/gain on disposal of property, plant and equipment	**(18)**	1	nm
Revaluation losses on property, plant and equipment	**(1,392)**	-	nm
Impairment loss on property, plant and equipment	**(781)**	-	nm
Currency translation loss - net	**(6,694)**	(3,697)	81.1
Finance expenses			
Interest expense			
- Bank borrowings	**(2,994)**	(608)	>100
- Advances from a non-controlling interest	**(1,327)**	(204)	>100
Income tax expense			
Under provision of income tax in prior financial years - net	**(153)**	(269)	(43.1)

nm : not meaningful

1 (b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Statements of Financial Position

	Group		Company	
	31.12.2014	31.12.2013	**31.12.2014**	31.12.2013
	S$'000	S$'000	**S$'000**	S$'000
ASSETS				
Current assets				
Cash and cash equivalents	**98,386**	264,975	**56,031**	199,548
Trade and other receivables	**81,376**	67,278	**167,003**	169,161
Inventories	**666**	857	**36**	39
Development properties	**38,691**	40,365	**-**	-
Properties held for sale	**123,863**	140,417	**-**	-
	342,982	513,892	**223,070**	368,748
Non-current assets				
Investments in associated companies	**8,424**	7,812	**696**	696
Investments in joint ventures	**241,107**	282,167	**300**	300
Investments in subsidiaries	**-**	-	**509,154**	553,532
Other receivables	**221,131**	73,617	**480,052**	281,207
Investment properties	**315,598**	304,475	**120,066**	116,209
Property, plant and equipment	**592,537**	588,204	**361,156**	371,673
Intangible assets	**151,506**	155,907	**-**	-
Deferred income tax assets	**1,413**	4,765	**-**	-
	1,531,716	1,416,947	**1,471,424**	1,323,617
Total assets	**1,874,698**	1,930,839	**1,694,494**	1,692,365
LIABILITIES				
Current liabilities				
Trade and other payables	**127,408**	140,577	**15,624**	66,420
Current income tax liabilities	**7,519**	4,761	**494**	2,617
Borrowings	**86,264**	-	**-**	-
Provisions	**5,923**	8,268	**-**	-
	227,114	153,606	**16,118**	69,037
Non-current liabilities				
Other payables	**406,687**	503,265	**605,295**	575,845
Deferred income tax liabilities	**27,481**	17,371	**548**	648
Borrowings	**19,476**	89,415	**-**	-
Provisions	**12,706**	14,982	**-**	-
	466,350	625,033	**605,843**	576,493
Total liabilities	**693,464**	778,639	**621,961**	645,530
NET ASSETS	**1,181,234**	1,152,200	**1,072,533**	1,046,835
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**439,617**	420,616	**439,617**	420,616
Revaluation and other reserves	**340,003**	344,451	**329,629**	339,686
Retained profits	**389,796**	377,691	**303,287**	286,533
	1,169,416	1,142,758	**1,072,533**	1,046,835
Non-controlling interests	**11,818**	9,442	**-**	-
TOTAL EQUITY	**1,181,234**	1,152,200	**1,072,533**	1,046,835

1 (b)(ii) Aggregate amount of the group's borrowings and debt securities

	As at 31.12.2014		As at 31.12.2013	
	Secured	**Unsecured**	Secured	Unsecured
	S$'000	**S$'000**	S$'000	S$'000
Amount repayable in one year or less, or on demand (net of transaction costs)	**86,264**	**-**	-	-
Amount repayable after one year (net of transaction costs)	**19,476**	**-**	89,415	-

Details of any collaterals

The securities for the borrowings are the Group's share of its joint operations' development properties, an investment property, and certain land and buildings under property, plant and equipment.

1 (c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statements of Cash Flows

	12 months ended 31 December	
	2014	2013
	S$'000	S$'000
Cash flows from operating activities		
Net profit	**35,479**	21,512
Adjustments for:		
Income tax expense/(credit)	**13,279**	(463)
Depreciation of property, plant and equipment	**9,334**	3,499
Amortisation of intangible assets	**3,781**	2,243
Impairment loss on a country club membership	**59**	-
Interest income	**(3,210)**	(1,971)
Interest expense	**4,321**	812
Loss/(Gain) on disposal of property, plant and equipment	**18**	(1)
Fair value gains on investment properties	**(12,578)**	(14,700)
Revaluation losses on property, plant and equipment	**1,392**	-
Impairment loss on property, plant and equipment	**781**	-
Foreseeable loss on a development property	**-**	459
Share of results of joint ventures	**(5,797)**	(4,120)
Share of results of associated companies	**(2,649)**	(3,108)
Unrealised currency translation losses	**6,743**	1,444
	50,953	5,606
Change in working capital:		
Trade and other receivables	**(14,587)**	(38,110)
Inventories	**168**	49
Development properties and properties held for sale	**17,515**	70,364
Trade and other payables	**(16,331)**	(5,823)
Provisions	**(4,022)**	(1,517)
Cash generated from operations	**33,696**	30,569
Interest paid	**(224)**	-
Income tax paid - net	**(3,834)**	(2,384)
Net cash provided by operating activities	**29,638**	28,185
Cash flows from investing activities		
Acquisition of businesses, net of cash acquired	**-**	(62,020)
Additions to property, plant and equipment	**(15,359)**	(15,136)
Disposal of property, plant and equipment	**340**	1
Dividends received from a joint venture	**2,881**	-
Investments in joint ventures	**(71,078)**	(146,992)
Advances to joint ventures	**(145,343)**	(39,581)
Advances from a joint venture	**10,920**	41,580
Interest received	**1,507**	2,297
Net cash used in investing activities	**(216,132)**	(219,851)
Cash flows from financing activities		
Proceeds from borrowings	**22,712**	12,340
Repayment of borrowings	**(4,161)**	(7,979)
Interest paid	**(5,180)**	(967)
Dividends paid to shareholders	**(4,392)**	(42,200)
Advances from non-controlling interest	**11,910**	46,128
Net cash provided by financing activities	**20,889**	7,322

Consolidated Statements of Cash Flows (continued)

	12 months ended 31 December 2014 S$'000	2013 S$'000
Net decrease in cash and cash equivalents	**(165,605)**	(184,344)
Cash and cash equivalents at beginning of financial year	**264,975**	450,820
Effects of currency translation on cash and cash equivalents	**(984)**	(1,501)
Cash and cash equivalents at end of financial year	**98,386**	264,975

Cash and cash equivalents of the Group include amounts totalling $5,727,000 (31 December 2013: $8,848,000), representing the Group's attributable share of its joint operation's bank balances and deposits, held under the development project rules in Singapore and the use of which is governed by these rules.

1 (d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company									
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve	Retained profits	Total	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2014	420,616	10,557	342,516	(7,901)	(564)	(157)	377,691	1,142,758	9,442	1,152,200
Share issued in-lieu of dividends	19,001	-	-	-	-	-	(19,001)	-	-	-
Dividend paid to shareholders in cash	-	-	-	-	-	-	(4,392)	(4,392)	-	(4,392)
Total comprehensive income for the year	-	-	2,507	(6,154)	(61)	(740)	35,498	31,050	2,376	33,426
Balance at 31 Dec 2014	**439,617**	**10,557**	**345,023**	**(14,055)**	**(625)**	**(897)**	**389,796**	**1,169,416**	**11,818**	**1,181,234**
Balance at 1 Jan 2013	394,612	-	336,423	(2,238)	-	-	371,253	1,100,050	-	1,100,050
Share issued in-lieu of dividends	26,004	-	-	-	-	-	(16,140)	9,864	-	9,864
Dividend paid to shareholders in cash	-	-	-	-	-	-	(6,807)	(6,807)	-	(6,807)
Dilution of interest in the business of a subsidiary	-	10,557	-	-	-	-	-	10,557	19,443	30,000
Total comprehensive income for the year	-	-	6,093	(5,663)	(564)	(157)	29,385	29,094	(10,001)	19,093
Balance at 31 Dec 2013	**420,616**	**10,557**	**342,516**	**(7,901)**	**(564)**	**(157)**	**377,691**	**1,142,758**	**9,442**	**1,152,200**

Company's Statement of Changes in Equity

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S$'000	S$'000	S$'000	S$'000
Balance at 1 Jan 2014	420,616	339,686	286,533	1,046,835
Shares issued in-lieu of dividends	19,001	-	(19,001)	-
Dividend paid to shareholders in cash	-	-	(4,392)	(4,392)
Total comprehensive income for the year	-	(10,057)	40,147	30,090
Balance at 31 Dec 2014	**439,617**	**329,629**	**303,287**	**1,072,533**
Balance at 1 Jan 2013	394,612	336,423	301,181	1,032,216
Shares issued in-lieu of dividends	26,004	-	(16,140)	9,864
Dividend paid to shareholders in cash	-	-	(6,807)	(6,807)
Total comprehensive income for the year	-	3,263	8,299	11,562
Balance at 31 Dec 2013	**420,616**	**339,686**	**286,533**	**1,046,835**

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	3 months ended	
	31.12.2014	30.09.2014
Ordinary shares fully paid	**'000**	'000
Number of shares at beginning and end of financial period	**400,587**	400,587

The Company does not have any convertibles.
The Company does not have any treasury shares.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31.12.2014	As at 31.12.2013
	'000	'000
Number of issued shares excluding treasury shares	**400,587**	389,912

The Company does not have any treasury shares.

1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company does not have any treasury shares.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable. Refer to item 2 above.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recent audited annual financial statements, except where new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from the current financial year.

The adoption of the new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the financial information.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to item 4 above.

6 **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

		12 months ended 31 December	
		2014	2013
		cents	cents
	Earnings per ordinary share (EPS) for the year based on net profits attributable to shareholders after deducting any provision for preference dividends: -		
(i)	Based on weighted average number of ordinary shares in issue	**8.97**	7.61
(ii)	On a fully diluted basis	**8.97**	7.61

7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		**Company**	
	As at 31.12.2014	As at 31.12.2013	**As at 31.12.2014**	As at 31.12.2013
Net asset value (NAV) per ordinary share based on total number of issued shares excluding treasury shares as at the end of the year	**$ 2.95**	$ 2.96	**$ 2.68**	$ 2.68

The Company does not have any treasury shares.

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) Group performance review for the year ended 31 December 2014 ("FY 2014")

Revenue
Revenue of the Group for FY 2014 was $315.5 million and this was $157.0 million higher than FY 2013.

Revenue from the hospitality division increased by $115.9 million to $212.0 million for FY 2014. The increase was mainly due to the full year results from the hospitality businesses acquired from The Straits Trading Company Limited ("STC") on 1 November 2013.

Revenue from the property development division increased by $40.2 million compared with FY 2013. The increase came mainly from recognition of higher revenue from the euHabitat project with higher incremental percentage of completion as well as more medical suites sold as compared with FY 2013.

Gross profit
Gross profit of the Group for FY 2014 was $84.4 million and this was $39.9 million higher than FY 2013. The increase was mainly attributable to the newly acquired hospitality businesses and contribution from the euHabitat project.

Other income
Other income of the Group for FY 2014 was $3.9 million, $0.8 million higher than FY 2013. This was mainly due to the increase in interest income on the advances to joint ventures.

Other gains – net
The Group recognised net other gains of $3.6 million for FY 2014, $7.4 million lower than FY 2013. This was mainly due to the decrease in fair value gains on investment properties and the increase in currency translation losses due to the weakening of the Australian Dollar.

Distribution and marketing, administrative, finance and other expenses
Total distribution and marketing, administrative, finance and other expenses of the Group for FY 2014 were $51.6 million. This was $6.8 million higher than FY 2013. The increase in expenses was mainly due to the full year results from the hospitality businesses acquired from STC on 1 November 2013.

Share of results of joint ventures accounted for using equity method
The Group's share of results of joint ventures for FY 2014 comprised mainly the results of the joint venture ("Toga Joint Venture") with Toga Pty Ltd ("Toga"), and the five-month results of the European assets jointly acquired with Toga.

Share of results of associated companies
The Group's share of results of associated companies for FY 2014 and FY 2013 came mainly from the Group's interest in the REIT Manager of Far East Hospitality Trust.

Income tax
Income tax expense of the Group for FY 2014 was higher than FY 2013 mainly due to higher taxable profits for FY 2014 and income tax credit for FY 2013. The income tax credit was mainly attributable to the recognition of deferred tax assets in a subsidiary.

Net profit
As a result of the above, the Group reported a net profit of $35.5 million for FY 2014 and this was $14.0 million higher than FY 2013.

(b) Statements of financial position

Group - significant variances
Cash and cash equivalents decreased $166.6 million to $98.4 million as at 31 December 2014 mainly due to advances to a joint venture being the Group's share of payment for the land parcel at Woodlands Square as well as new and additional investments in joint ventures to acquire hospitality assets in Australia and Europe. This resulted in the increase in other non-current receivables and investments in joint ventures accordingly.

Trade and other receivables increased $14.1 million to $81.4 million as at 31 December 2014 mainly due to the progressive recognition of profit from the euHabitat project.

Properties held for sale decreased $16.6 million to $123.9 million as at 31 December 2014 due to the sale of medical suites during the year.

Investments in joint ventures decreased $41.1 million to $241.1 million as at 31 December 2014. This came mainly from the share capital reduction of a joint venture using the advances from the joint venture which resulted in a corresponding decrease in other non-current payables. The decrease was partially offset by the investments in joint ventures with Toga during the year.

Deferred income tax assets decreased $3.4 million to $1.4 million as at 31 December 2014 mainly due to the deferred income tax liabilities recognised on the profit recognition from the euHabitat project.

Deferred income tax liabilities increased $10.1 million to $27.5 million as at 31 December 2014 mainly due to net revaluation gains on property, plant and equipment.

Total borrowings increased $16.3 million to partially fund the Group's investments in joint ventures with Toga during the year.

Current income tax liabilities increased $2.8 million to $7.5 million as at 31 December 2014 mainly due to current income tax expense incurred and offset by payments made during FY 2014.

Total provisions related to certain onerous lease agreements of the hospitality businesses acquired from STC decreased $4.6 million to $18.6 million as at 31 December 2014 due to the utilisation of $8.1 million and additional provisions of $3.7 million recognised during FY 2014.

Company - significant variances
Cash and cash equivalents decreased $143.5 million to $56.0 million as at 31 December 2014 with a corresponding increase in other non-current receivables mainly due to the same reasons as described for the Group.

Total trade and other payables decreased $21.3 million to $620.9 million as at 31 December 2014 mainly due to the settlement of the advances from the subsidiaries.

Current income tax liabilities decreased $2.1 million to $0.5 million as at 31 December 2014 mainly due to the payment of tax liabilities during the period.

(c) Consolidated statement of cash flows

Financing activities for FY 2014 generated a net cash inflow of $20.9 million and this was $13.6 million higher compared with FY 2013. This was mainly due to the proceeds from advances from non-controlling interest and additional bank borrowings.

The Group had a net cash outflow of $165.6 million for FY 2014 mainly due to the Group's investments in and advances to joint ventures offset by the proceeds from advances from non-controlling interest and additional bank borrowings.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with comments previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Hospitality

The Group's hospitality division completed its first full financial year since its acquisition of the hospitality businesses in Australia. Together with the joint acquisition of three hotels in Germany and one hotel in Denmark with Toga Pty Ltd and its subsidiaries (the "Toga Group"), the Group's hospitality businesses span across eight countries – Australia, China, Denmark, Germany, Hungary, Malaysia, New Zealand and Singapore, with more in the development pipeline.

The Group will continue to selectively expand its hospitality businesses by acquiring strategic assets and increasing management contracts. At the same time, the Group will also consider the divestment of properties to recycle capital for re-deployment towards higher yielding growth opportunities as and when appropriate.

With the increase in hotel room supply in Singapore, we envisage the operating environment for the hospitality division will remain challenging in the near term. The longer term outlook for the tourism sector however remains positive as Singapore continues to strengthen its position as the regional hub for business and as a leisure destination. The enhancement of the tourism landscape and infrastructure, such as the opening of the Singapore Sports Hub and various new attractions is also expected to further improve Singapore's attractiveness for both business and leisure travellers.

Property development

For residential projects, the Group has a 20% interest in the euHabitat project which is about 99% sold. The Group will continue to progressively recognise revenue and profits for the project, expected to be completed in the first half of FY2015. The Group also has a 30% interest in Watervine Homes Pte. Ltd., a joint venture company with Frasers Centrepoint and Sekisui House, Ltd, to develop the RiverTrees Residences project which is about 64% sold. In Q4 FY2014, the Group entered into a 50/50 joint venture with Toga, to develop a 121-unit residential project named Harbourfront Balmain in Sydney.

For commercial projects, the Group acquired a one-third interest in Woodlands Square Pte. Ltd. in FY 2014, a joint venture company with Far East Civil Engineering (Pte.) Limited, an associate of the Company's controlling shareholder, and Sekisui House, Ltd, to develop the Woods Square project. Similar to the SBF Center project, a commercial project in which the Group has a 20% interest, the profits for the project will be recognised at completion.

The Group will continue to selectively source for land for development.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Board of Directors is pleased to recommend the following dividend in respect of the financial year ended 31 December 2014 for approval by shareholders at the next Annual General Meeting to be convened :

Name Of Dividend	-	First and Final (One-tier tax exempt)
Dividend Type	-	Cash or share in-lieu
Dividend Amount Per Share	-	6.00 cents - First and final dividend

(b) Corresponding Period of the Immediately Preceding Financial Year

The following dividend was declared and paid in respect of financial year ended 31 December 2013 as approved by shareholders at the Annual General Meeting held at 24 April 2014.

Name Of Dividend	-	First and Final (One-tier tax exempt)
Dividend Type	-	Cash or share in-lieu
Dividend Amount Per Share	-	6.00 cents - First and final dividend

The dividend was paid on 30 June 2014.

(c) Date payable

The date payable for the recommended dividend will be announced at a later date.

(d) Books closure date

Notice of books closure for determining shareholders' entitlement of the recommended dividend will be announced at a later date.

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company had obtained approval for a shareholders' mandate for interested person transactions under Rule 920(1)(a)(ii) as set out in the circular to shareholders dated 24 June 2013.

Name of interested person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000)
	2014 S$'000
China Classic Pte Ltd	
Hospitality management income	115
Dollar Land Singapore Private Limited	
Hospitality management income	401
Far East Hospitality Real Estate Investment Trust	
Property management income	549
Rental expense on operating leases	
- offices	(1,050)
- hotels and serviced residences	(27,301)
Far East Management (Private) Limited	
Management service fees	(2,013)
Hospitality services	(1,668)
Project management service fees	(183)
Rental income on operating leases - offices	235
Far East Organization Centre Pte Ltd	
Hospitality management income	2,585
Rental income on operating leases - offices	102
Far East Property Sales Pte Ltd	
Sales and marketing service fees	(665)
Golden Development Private Limited	
Hospitality management income	3,132
Golden Landmark Pte Ltd	
Hospitality management income	1,496
Lyon Cleaning & Maintenance Services Pte Ltd	
Hospitality services	(274)
Orchard Mall Pte Ltd	
Hospitality management income	898
Orchard Parksuites Pte Ltd	
Hospitality management income	1,727

13 (continued)

Name of interested person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000)
	2014 S$'000
Oxley Hill Properties Pte Ltd	
Hospitality management income	600
Riverland Pte Ltd	
Hospitality management income	577
Serene Land Pte Ltd	
Hospitality management income	1,983
Transurban Properties Pte Ltd	
Hospitality management income	2,001

The hospitality management income stated above has taken into account the waiver of payments required, as described in paragraph 2.1.6(ii) of Appendix H in the circular to the shareholders dated 19 June 2012 (the "Circular"), from Far East Hospitality Management (S) Pte. Ltd., a subsidiary of the Group, by Far East Organization (as defined in the Circular).

The Company did not have any interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920), except as announced on 29 January 2015 where the Company's wholly-owned subsidiary, OPH Marymount Limited entered into a sale and purchase agreement to dispose of its interest in 7 and 11 Bassein Road, Singapore 309837 to Transurban Properties Pte Ltd.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

	Hospitality				Property		Investments	Total
	Management services - Singapore S$'000	Operations - Singapore S$'000	Operations - Australia and New Zealand S$'000	Property ownership S$'000	Property development S$'000	Property investment S$'000	S$'000	S$'000
2014								
Revenue	19,812	50,935	80,811	63,960	94,380	9,156	-	319,054
Inter-segment sales	(3,488)	(29)	-	-	-	-	-	(3,517)
Sales to external parties	16,324	50,906	80,811	63,960	94,380	9,156	-	315,537
Operating profit - Sub-total	2,450	3,026	(853)	13,159	24,081	6,108	-	47,971
Share of results of								
- Joint ventures accounted for using equity method	-	-	5,601	406	(210)	-	-	5,797
- Associated companies	-	-	-	-	48	-	2,601	2,649
Operating profit - Total	2,450	3,026	4,748	13,565	23,919	6,108	2,601	56,417
Other gains - net								3,634
Corporate expenses								(9,899)
Acquisition-related cost								(1,394)
Profit before income tax								48,758
Income tax expense								(13,279)
Net profit								35,479
Segment assets	135,835	379,184	51,717	266,892	442,521	285,889	63,129	1,625,167
Joint ventures	-	-	187,574	34,151	19,382	-	-	241,107
Associated companies	-	-	-	-	1,894	-	6,530	8,424
Total assets								1,874,698

14 (continued)

	Hospitality				Property		Investments	Total
	Management services - Singapore S$'000	Operations - Singapore S$'000	Operations - Australia and New Zealand S$'000	Property ownership S$'000	Property development S$'000	Property investment S$'000	S$'000	S$'000
2013								
Revenue	19,575	55,346	13,706	11,423	54,146	8,351	-	162,547
Inter-segment sales	(3,852)	(126)	-	-	-	-	-	(3,978)
Sales to external parties	15,723	55,220	13,706	11,423	54,146	8,351	-	158,569
Operating profit - Sub-total	2,148	3,019	730	2,012	13,989	5,200	-	27,098
Share of results of								
- Joint ventures accounted for using equity method	-	-	4,378	-	(258)	-	-	4,120
- Associated companies	-	-	-	-	38	-	3,070	3,108
Operating profit - Total	2,148	3,019	5,108	2,012	13,769	5,200	3,070	34,326
Other gains - net								11,004
Corporate expenses								(7,366)
Acquisition-related cost								(16,915)
Profit before income tax								21,049
Income tax credit								463
Net profit								21,512
Segment assets	147,478	393,792	49,223	252,224	305,202	282,076	210,865	1,640,860
Joint ventures	-	-	149,566	-	132,601	-	-	282,167
Associated companies	-	-	-	-	3,822	-	3,990	7,812
Total assets								1,930,839

15 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Revenue and operating profit from hospitality division increased mainly due to the full year results from the property ownership and operations in Australia and New Zealand.

Revenue and operating profit from property division increased for the same reasons as explained in item 8(a).

16 **A breakdown of sales**

	Group		
	12 months ended 31 December		
	2014	2013	Increase / (Decrease)
	S$'000	S$'000	%
Sales reported for 1st half year	**143,333**	66,179	>100
Net profit after tax before deducting minority interests reported for the 1st half year	**19,562**	8,756	>100
Sales reported for 2nd half year	**172,204**	92,390	86.4
Net profit after tax before deducting minority interests reported for the 2nd half year	**15,917**	12,756	24.8

17 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Total Annual Dividend

	Latest Full Year	Previous Full Year
	S$'000	S$'000
First and final dividend	24,035	22,947

18 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) for the financial year ended 31 December 2014.**

There are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board
Mr Lui Chong Chee
Director
27 February 2015

TOPPAN VITE PTE. LTD. SCR1502031