IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

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

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Issuer, the Arrangers, the Dealers, the Trustee or the Agents (each as defined in the attached information memorandum) or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, 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 the Issuer, the Arrangers or Dealers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States directed selling efforts (as defined in Regulation S under the Securities Act). The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of the Issuer in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe for or purchase any of the securities described therein.**

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

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

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

INFORMATION MEMORANDUM

BANYAN TREE
HOLDINGS

BANYAN TREE HOLDINGS LIMITED

(incorporated with limited liability under the laws of Singapore)
(Company Registration No. 200003108H)

S$700,000,000
Multicurrency Debt Issuance Programme

*On 18 October 2007, Banyan Tree Holdings Limited (the "**Issuer**") established a Multicurrency Medium Term Note Programme (as amended and supplemented from time to time, the "**Programme**") and issued an information memorandum describing the Programme. The Issuer amended and restated the Programme on 14 October 2011, and further amended and restated the Programme on 28 October 2014, renaming it "Multicurrency Debt Issuance Programme" under which perpetual securities may also be issued, and increasing the programme limit from S$400,000,000 to S$700,000,000. This Information Memorandum supersedes all previous information memorandums and any supplements thereto. Any Securities (as defined below) issued under the Programme on or after the date of this Information Memorandum are issued subject to the provisions described herein. This does not affect any Securities already issued.*

Under the Programme, the Issuer may from time to time issue notes (the "**Notes**") or perpetual securities (the "**Perpetual Securities**", and together with the Notes, the "**Securities**") denominated in Singapore dollars and/or any other currencies. The aggregate principal amount of Securities outstanding will not at any time exceed S$700,000,000 (or the equivalent in other currencies) or such higher amount as may be increased in accordance with the terms of the Programme.

The Securities may rank as senior obligations or subordinated obligations of the Issuer. The Securities may be issued by the Issuer on a continuing basis to one or more of the dealers appointed under the Programme from time to time (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Information Memorandum to the "**relevant Dealer**", in the case of an issue of Securities being (or intended to be) subscribed for by more than one Dealer, are to all Dealers agreeing to subscribe for those Securities.

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

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

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. This Information Memorandum may not be circulated or distributed, nor may any Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The Securities have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any other jurisdiction. The Securities may include securities issued in bearer form, which are subject to certain U.S. tax law requirements. The Securities may be offered and sold outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Any series of Securities may be subject to additional selling restrictions, which will be set forth in the relevant pricing supplement. See "Subscription, Sale and Distribution" and the relevant pricing supplement.

Arrangers

CREDIT SUISSE

Maybank Kim Eng

The date of this Information Memorandum is 19 March 2020

NOTICE

Credit Suisse (Singapore) Limited and Maybank Kim Eng Securities Pte. Ltd. (collectively, the "**Arrangers**") has been authorised by the Issuer to arrange the Programme following the retirement of The Hongkong and Shanghai Banking Corporation Limited as arranger with effect from 19 March 2020.

The Issuer, having made all reasonable enquiries, confirms that the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects, and that this Information Memorandum does not omit any material fact necessary in order to make the information, in the light of the circumstances in which it was provided, not misleading in any material respect.

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 Trustee, the Agents, the Arrangers 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 Trustee, the Agents, the Arrangers or any of the Dealers to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

Neither the delivery of this Information Memorandum (or any part thereof) or the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of 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.

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

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

The Trustee, the Agents, the Arrangers and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Issuer, the Trustee, the Agents, the Arrangers, any of the Dealers or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Trustee, the Agents, the Arrangers and 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.

To the fullest extent permitted by law, neither the Trustee, the Agents, the Arrangers 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 Trustee, the Agents, the Arrangers or any of the Dealers or on its behalf in connection with the Issuer and its subsidiaries, the Programme or the issue and offering of the Securities. Each Arranger and each Dealer, the Trustee and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Information Memorandum or any such statement.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with, or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary (the "Common Depositary") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject

to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or the Common Depositary or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

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

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

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section "Subscription, Purchase and Distribution" in this Information Memorandum.

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

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

Stabilisation Actions

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

Notification under Section 309B of the SFA

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

Markets in Financial Instruments Directive II

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

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

Packaged Retail Investment and Insurance Products – Prohibition of Sales to Retail Investors

If the Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

INCORPORATION BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum:

- any audited consolidated financial statements and/or publicly announced unaudited consolidated financial statements of the Issuer and its subsidiaries and associated companies (if any) and the Issuer's most recent annual report; and

- 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 Securities, any pricing supplement in respect of such series or tranche.

Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

Website addresses contained or incorporated by reference in this Information Memorandum are included for reference only, and the contents of such websites are not incorporated by reference into, and do not form part of, this Information Memorandum and should not be relied on.

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 its subsidiaries (including statements as to the Issuer's and its subsidiaries' revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical fact and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and its subsidiaries, expected growth in the Issuer and its subsidiaries 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 its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- the Group's ability to successfully develop new resorts, hotels, spas, resort residences or serviced residences, or enter into new management agreements for resorts, hotels and spas;
- impact of natural disasters and the outbreak of infectious disease or other serious public health concerns;
- the Group's ability to promote or guard the value of its brands;
- economic, political, legal, regulatory and other risks affecting the countries where the Group operates;
- the Group's ability to execute its strategies;
- the Group's ability to compete and changes in competitive conditions;
- fluctuations in exchange and interest rates;
- the Group's ability to attract, train and retain qualified employees;
- risks relating to the industry in which the Group operates;
- impact of government rules and requirements;
- impact of unknown or unforeseen environmental liabilities;
- the Group's reliance on independent contractors for its residential, hospitality and development projects;
- general economic, social and political conditions;
- demographic changes; and
- other factors beyond the control of the Issuer and its subsidiaries.

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

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer and its subsidiaries 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 Arrangers and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer and its subsidiaries will be as discussed in those statements.

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

DEFINITIONS

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

"**Agency Agreement**":	The Amended and Restated Agency Agreement dated 28 October 2014 between (1) the Issuer, as issuer, (2) The Hongkong and Shanghai Banking Corporation Limited, as issuing and paying agent, agent bank, transfer agent and registrar, and (3) the Trustee, as trustee, as amended, varied or supplemented from time to time
"**Agents**":	The Issuing and Paying Agent, the Agent Bank, the Registrar and the Transfer Agent and shall include such other agent or agents as may be appointed from time to time
"**Agent Bank**":	The Hongkong and Shanghai Banking Corporation Limited
"**Arrangers**":	Credit Suisse (Singapore) Limited and Maybank Kim Eng Securities Pte. Ltd.
"**Average occupancy**":	The average occupancy of a resort or hotel is equal to the number of paid room nights during a period divided by the total number of available room nights during that period, expressed as a percentage
"**Average room rate**":	The average room rate of a resort or hotel, which is equal to the total room revenue earned during a period divided by the number of paid room nights for that period
"**Bt**" or "**Baht**":	The lawful currency of Thailand
"**Bearer Securities**":	Securities in bearer form
"**CDP**":	The Central Depository (Pte) Limited
"**Certificate**":	A registered certificate representing one or more Registered Perpetual Securities of the same Series and, save as provided in the terms and conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Perpetual Securities of that Series
"**Common Depositary**":	In relation to a Series of the Securities, a depositary common to Euroclear and Clearstream, Luxembourg
"**Companies Act**":	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"**Coupons**":	The bearer coupons appertaining to an interest or distribution bearing Bearer Security
"**Dealers**":	Persons appointed as dealers under the Programme

"**Definitive Security**":	A definitive Bearer Security having, where appropriate, Coupons and/or a Talon attached on issue
"**euro**" and "**€**":	The single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, from time to time
"**Global Certificate**":	A Certificate representing Registered Perpetual Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) CDP (ii) Common Depositary and/or (iii) any other clearing system
"**Global Security**":	A global Security representing Bearer Securities, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon
"**Group**":	The Issuer and its subsidiaries
"**Issuer**":	Banyan Tree Holdings Limited
"**IRAS**":	The Inland Revenue Authority of Singapore
"**Issuing and Paying Agent**":	The Hongkong and Shanghai Banking Corporation Limited
"**ITA**":	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
"**Latest Practicable Date**":	13 March 2020
"**LRH**":	Laguna Resorts & Hotels Public Company Limited, a Principal Subsidiary of the Issuer as at the date of this Information Memorandum
"**LRH Group**":	LRH, its subsidiaries and its associated companies
"**MAS**":	The Monetary Authority of Singapore
"**Noteholders**":	The holders of the Notes
"**Notes**":	The notes issued or to be issued by the Issuer under the Programme
"**PBOC**":	The People's Bank of China
"**Permanent Global Security**":	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security

"**Perpetual Securities**":	The perpetual securities to be issued by the Issuer under the Programme
"**Perpetual Securityholders**":	The holders of the Perpetual Securities
"**PRC**" or "**China**":	The People's Republic of China, excluding for the purposes of this Information Memorandum, Hong Kong, Macau and Taiwan
"**Pricing Supplement**":	In relation to a Series or Tranche, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Series or, as the case may be, Tranche
"**Programme**":	The S$700,000,000 Multicurrency Debt Issuance Programme of the Issuer described in this Information Memorandum
"**Programme Agreement**":	The Second Amended and Restated Programme Agreement dated 28 October 2014 made between (1) the Issuer, as issuer, (2) The Hongkong and Shanghai Banking Corporation Limited, as arranger, and (3) The Hongkong and Shanghai Banking Corporation Limited, as dealer, as amended and restated by the Amendment and Restatement Programme Agreement dated 19 March 2020 made between (1) the Issuer, as issuer, (2) The Hongkong and Shanghai Banking Corporation Limited, as outgoing arranger and outgoing dealer, and (3) Credit Suisse (Singapore) Limited and Maybank Kim Eng Securities Pte. Ltd., as incoming arrangers and incoming dealers, and as further amended, restated, varied or supplemented from time to time
"**Registered Perpetual Securities**":	Perpetual Securities in registered form
"**Registrar**":	The Hongkong and Shanghai Banking Corporation Limited
"**RevPAR**":	Revenue per available room. For any given period, RevPAR equals a resort or hotel's Average room rate multiplied by its Average occupancy
"**RMB**" or "**Renminbi**":	The lawful currency of the PRC
"**Securities**":	The Notes and the Perpetual Securities
"**Securities Act**":	Securities Act of 1933 of the United States, as amended
"**Securityholders**":	The Noteholders and the Perpetual Securityholders
"**Senior Perpetual Securities**":	Perpetual Securities which are expressed to rank as senior obligations of the Issuer

"**Series**":	(1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest
"**SFA**":	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"**SGX-ST**":	Singapore Exchange Securities Trading Limited
"**Subordinated Perpetual Securities**":	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer
"**Talons**":	Talons for further Coupons
"**Temporary Global Security**":	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue
"**Tranche**":	Securities which are identical in all respects (including as to listing)
"**Transfer Agent**":	The Hongkong and Shanghai Banking Corporation Limited
"**TRL**":	Tropical Resorts Limited
"**Trust Deed**":	The Second Amended and Restated Trust Deed dated 28 October 2014 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended and supplemented by a second supplemental trust deed dated 19 March 2020 and as amended, varied or supplemented from time to time
"**Trustee**":	HSBC Institutional Trust Services (Singapore) Limited
"**UAE**":	United Arab Emirates
"**S$**" or "**$**" and "**cents**":	Singapore dollars and cents respectively
"**US$**" or "**US dollars**":	United States dollars

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.

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II. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2018 . . . . . II-1

SUMMARY

The following is only a summary and is qualified in its entirety by, and is subject to, the more detailed information and financial statements contained or referred to elsewhere in this Information Memorandum, including the sections "Business" and "Board and Management". To understand the terms of the Securities, investors should carefully read the sections of this Information Memorandum entitled "Terms and Conditions of the Notes" or "Terms and Conditions of the Perpetual Securities" as applicable, and the risks of investing in the Securities under "Risk Factors" and the relevant Pricing Supplement.

Overview

The Group is a leading international operator and developer of premium resorts, hotels, spas and residences and boasts an industry track record dating from 1994. It also manages and/or has ownership interests in niche resorts and hotels. These resorts and hotels are located in 14 countries, namely China, Cuba, India, Indonesia, Laos, Malaysia, Maldives, Mauritius, Mexico, Morocco, Seychelles, South Korea, Thailand, and Vietnam with an aggregate number of 6,714 rooms available for use by guests as at 31 December 2019. The Group's resorts typically command room rates at the high end of each property's particular market. The Group offers its customers a multi-faceted travel and leisure experience which it delivers through its 47 resorts and hotels, 64 spas, 72 galleries (where its Banyan Tree and Angsana branded products are sold) and 3 golf courses as at 31 December 2019.

The Group generates revenue from three core business segments: Hotel Investments segment, Residences and Extended Stay[1] segment and Fee-based segment. Under the Hotel Investments segment, the Group owns and manages hotels under its two award-winning brands, Banyan Tree and Angsana, and the more recently established brands Cassia and Dhawa. For the year ended 31 December 2019, Thailand and Indian Ocean contributed 75% and 22% to the revenue for Hotel Investments segment respectively. As at 31 December 2019, the Group holds equity interests in 19 hotels which have over 2,000 keys. The Residences and Extended Stay segment comprises sales of Hotel Residences, Laguna Residences and Extended Stay and Development Projects/ Sites. The Fee-based segment comprises hotel management, club management and fund management, spa and gallery operations and design and other services. As at 31 December 2019, the Group manages 28 resorts and hotels, of which 25 are under the Banyan Tree and Angsana brands.

The Group also operates a leading integrated resort in Laguna Phuket, Thailand and a city hotel, Banyan Tree Bangkok, Thailand through its subsidiary, LRH. Within Laguna Phuket, as at 31 December 2019, the Group manages 5 resorts, 4 spas, 6 galleries, an 18-hole golf course and resort residence developments available for sale. Due to its positioning as an integrated resort, Laguna Phuket is marketed as a travel destination within Phuket. Primarily as a result of the Group's ownership interest in LRH, Hotel Investments is the Group's largest business segment. Hotel Investments accounted for 63.5%, 58.5% and 50.1% of the Group's revenue for the three years ended 31 December 2017, 2018 and 2019, respectively. As at 31 December 2019, the Group managed and/or had ownership interests in 5 resorts at Laguna Phuket with 1,062 rooms and Banyan Tree Bangkok with 327 rooms. Two other integrated resorts, Laguna Bintan in Indonesia and Laguna Lâng Cô in Central Vietnam, reinforce the status of the Group as one of the leading operators of integrated resorts in Asia.

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[1] Residences and Extended Stay covers property sales.

Through the Banyan Tree brand and its sister brand, Angsana, the Group targets two distinct customer segments, allowing it to have a wider customer base. In June 2014, the Group also launched the third brand, Cassia. Cassia brought together investment opportunities for the growing middle class looking for affordable holiday homes and the opportunity to develop an innovative hotel product in the serviced apartment segment. In October 2015, the Group launched its fourth brand, Dhawa, which is a casual and contemporary full-service hotel targeting middle class design-savvy travellers who seek distinctive experiences in stylish and unique destinations.

The Group has pioneered concepts that have become signature features for many of its hotels and resorts such as the tropical garden spa and pool villa. As one of the leading operators of spas in Asia Pacific, the Group operates spas that its guests often consider as one of the signature features of its resorts and hotels. The Group also operates the Banyan Tree Spa Academy, where spa therapists receive theoretical and practical training. The Banyan Tree Spa Academy is accredited by Thailand's Ministry of Education and Ministry of Public Health. It was named the Best Quality School in 2017 by The Private Education Commission of Thailand's Ministry of Education, recognising the Group's stringent training methodology and the Banyan Tree Spa Academy's status as an institution for developing therapists and raising the bar for the spa industry. The Banyan Tree Spa won 43 awards in 2019, bringing the total of awards won to 686 as of 31 December 2019. The Group has one additional training facility in Bintan, which was set up in 2003 to meet expansion needs. The Banyan Tree Gallery, which is owned by the Group, complements its resorts, hotels and spas, and provides the platform for artisans' heritage and crafts. The Banyan Tree Gallery has also extended its product lines with the launch of its reformulated bath and body and aromatherapy collections, and has also expanded its distribution channels to extend the reach and scope of its brands.

The Group's integrated business model comprises a hotel management division, an in-house design and project management division, and a global marketing team. These in-house capabilities enable the Group to preserve brand integrity, create innovative product offerings with quicker time to market and maintain the quality of the resorts, hotels, spas and galleries it manages and the services it offers. The Group believes these capabilities, the geographic diversity of its customer markets and its product offerings increase the resilience of its business model. The Group's revenues for the three years ended 31 December 2017, 2018 and 2019 were S$317.5 million, S$329.0 million and S$347.0 million, respectively. Average occupancy levels for its resorts and hotels for the three years ended 31 December 2017, 2018 and 2019 were approximately 63%, 62% and 58%, respectively. Average room rates for the three years ended 31 December 2017, 2018 and 2019 were S$343, S$330 and S$329, respectively. Revenue per available room ("**RevPAR**") for the years ended 31 December 2017, 2018 and 2019 was S$217, S$203 and S$193, respectively.

Competitive Strengths

The Group believes the following competitive strengths have been instrumental to its success and positions it for future growth:

- Leading international operator and developer of premium resorts, hotels and spas, diversified across geographies and pricing segments
- Award-winning and differentiated brands driving growth strategy
- Established resort and luxury accommodation property development business with large land bank
- Integrated business model that enhances resilience

- Deleveraging financial position and ability to recycle capital
- Proven and experienced management team

Strategy

The Group's principal strategic objective is to build upon the Banyan Tree, Angsana, Cassia and Dhawa brands, to create a diversified group of niche resorts, hotels and serviced apartments in strategic locations throughout the world. Complemented by its resort/hotel residences, property sales, and spa and gallery operations, the Group seeks to achieve strong profitability and operating margins and maintain its strong balance sheet position through the following strategies:

- Focus on growing its business through fee-based operations
- Increase its property sales income from developing the Group's land bank (held via LRH) in Phuket
- Strengthen and leverage brand equity across diversified portfolio offerings
- Leverage and upgrade key competencies for growth
- Rebalance asset portfolio to unlock the value of the Group's mature assets to create greater value from other markets
- Plan for China
- Fund developments through private equity and strategic partnerships with like-minded business partners
- Invest in branded primary homes
- Capitalise on growing middle class

Recent Developments

Since January 2020, the coronavirus (COVID-19) outbreak has caused substantial disruption in international economies and markets, which intensified in recent weeks. Government travel advisories, lockdowns, corporate restrictions and airline travel cancellations are already affecting demand at the Group's hotels – the Group is experiencing cancellations, as well as a decline in forward bookings and transient business. These cancellations and reduced bookings are part of an industry-wide trend and are likely to continue in the near term in response to governmental travel advisories, lockdowns, increased travel restrictions from corporations, and significant airline flight cancellations. As the situation is evolving, the Issuer's ability to assess the financial impact of COVID-19 on its business continues to be limited due to quickly changing circumstances and uncertain consumer demand for travel, but expects these developments to affect the Group's business.

Corporate Information

The Issuer is incorporated in Singapore with limited liability with company registration number 200003108H. Its registered office is at 211 Upper Bukit Timah Road, Singapore 588182. Its corporate website is http://investor.banyantree.com. Information contained on the Issuer's website does not constitute a part of this Information Memorandum.

SUMMARY OF THE PROGRAMME

The following is a general summary of the Programme, the Notes and the Perpetual Securities. This 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 terms and conditions of the Notes, the terms and conditions of the Perpetual Securities, the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement. The terms and conditions of the Notes, the terms and conditions of the Perpetual Securities, the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement will prevail to the extent of any inconsistency with the terms set out in this summary. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the terms and conditions of the Notes or the terms and conditions of the Perpetual Securities, as the case may be.

Issuer:	Banyan Tree Holdings Limited
Arrangers:	Credit Suisse (Singapore) Limited and Maybank Kim Eng Securities Pte. Ltd.
Dealers:	Credit Suisse (Singapore) Limited, Maybank Kim Eng Securities Pte. Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent:	The Hongkong and Shanghai Banking Corporation Limited
Description:	Multicurrency Debt Issuance Programme
Programme Amount:	The maximum aggregate principal amount of the Securities outstanding under the Programme at any time shall not exceed S$700,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the Programme Agreement.
Use of Proceeds:	The net proceeds arising from the issue of Securities under the Programme (after deducting issue expenses) will be used for financing the general working capital, capital expenditure and investment requirements and refinancing the existing borrowings of the Group.

NOTES

Currency:	Subject to compliance with all relevant laws, regulations and/or central bank requirements, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).

Method of Issue:	The Notes may be issued in Series from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may comprise one or more Tranches, issued on the same or different issue dates. The specific terms of each Series and each Tranche will be specified in the relevant Pricing Supplement.
Issue Price:	The Notes may be issued on a fully paid or partly paid basis and at an issue price which is 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:	The Notes may be non-interest bearing or bear interest at fixed, floating, variable or hybrid interest rates as may be agreed between the Issuer and the relevant Dealer(s).
Fixed Rate Notes:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrears on specified dates and at maturity.
Floating Rate Notes:	Floating Rate Notes 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). In respect of Floating Rate Notes benchmarked to the Swap Rate, a minimum rate of interest will apply thereto as set out in the Pricing Supplement applicable to such Notes in the event that the Swap Rate falls below zero.
Variable Rate Notes:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

Hybrid Notes:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrears 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).
Other Notes:	The Issuer and the relevant Dealer(s) may agree to issue any other type of Notes under the Programme.
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 Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or Definitive Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Securities upon the terms therein.
Delivery, Clearing and Settlement:	The Notes will be cleared through CDP and/or any other clearing systems as may be specified in the relevant Pricing Supplement.
Custody of the Notes:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a Common Depositary.
Title:	Title to the Notes and the Coupons will pass by delivery provided that for so long as the Notes are held through CDP, title to the Notes will pass by transfer through CDP's scripless book entry system.

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.
Early Redemption:	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 holders of the Notes.
Negative Pledge:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons relating to the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in the Trust Deed) will, create or permit to be created any mortgage, charge, pledge or security interest in respect of any of their respective assets and properties, present or future, unless at the same time or prior thereto, the Issuer's obligations under the Notes, the Coupons relating to the Notes and the Trust Deed (a) are secured equally and rateably therewith to the satisfaction of the Trustee or (b) have the benefit of such other security or other arrangement as shall be approved by the Trustee or as shall be approved by an Extraordinary Resolution of the Noteholders, save for: (i) (a) any security over any asset existing on or prior to the date of the Trust Deed and as disclosed in writing to the Trustee on or prior to the date of the Trust Deed or (b) any security to be created over any asset which is the subject of such existing security in connection with any replacement or refinancing of any of its outstanding indebtedness which at the date of the Trust Deed is secured by such existing security provided that the amount secured is not increased pursuant to such replacement or refinancing; (ii) any security created by any subsidiary in favour of the Issuer; (iii) any existing and future Encumbrances (as defined in the Trust Deed) to secure the indebtedness of LRH and its subsidiaries; (iv) liens or rights of set off arising in the ordinary course of its business or by operation of law, in either case, in respect of indebtedness which either (a) has been due for less than 14 days or (b) is being contested in good faith and by appropriate means;

(v) any security created over any asset acquired, developed, redeveloped or enhanced by the Issuer or any Principal Subsidiary after the date of the Trust Deed for the sole purpose of financing or refinancing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), development, redevelopment or enhancement of such asset, provided that the principal amount secured shall not exceed the costs of such acquisition, development, redevelopment or enhancement;

(vi) any security over any assets acquired after the date of the Trust Deed (up to the value of such assets) for the sole purpose of financing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets) or any refinancing thereof;

(vii) pledges of goods and/or related documents of title, arising in the ordinary course of its business, as security for bank borrowings directly relating to the purchase of such goods; and

(viii) any security created pursuant to a court order as security for costs in connection with litigation outside Singapore as a condition for any prejudgment, attachment or injunction.

Financial Covenants:

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

(a) the Consolidated Tangible Net Worth (as defined in Condition 3 of the terms and conditions of the Notes) will not at any time be less than S$450,000,000;

(b) the ratio of Consolidated Total Borrowings (as defined in Condition 3 of the terms and conditions of the Notes) to Consolidated Tangible Net Worth (as defined in Condition 3 of the terms and conditions of the Notes) shall not at any time exceed 1.9: 1; and

(c) the ratio of Consolidated Secured Assets (as defined in Condition 3 of the terms and conditions of the Notes) to Total Tangible Assets (as defined in Condition 3 of the terms and conditions of the Notes) shall not at any time exceed 0.7: 1.

Events of Default:

See Condition 9 of the terms and conditions of the Notes

Renminbi Fallback:	If by reason of Inconvertibility, Non-Transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi in Singapore, the Issuer shall on giving notice settle any such payment in Singapore dollars.
Taxation:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see Condition 7 of the terms and conditions of the Notes and please refer to "Singapore Taxation".
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, please refer to "Subscription, Purchase and Distribution". Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

PERPETUAL SECURITIES

Currency:	Subject to compliance with all relevant laws, regulations and/or central bank requirements, Perpetual Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).

Method of Issue:	The Perpetual Securities may be issued in Series from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may comprise one or more Tranches, issued on the same or different issue dates. The specific terms of each Series and each Tranche will be specified in the relevant Pricing Supplement.
Issue Price:	The Perpetual Securities may be issued on a fully paid or partly paid basis and at an issue price which is at par or at a discount, or premium, to par.
No Fixed Maturity:	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the terms and conditions of the Perpetual Securities.
Distribution Basis:	Perpetual Securities may confer a right to distribution at fixed or floating rates.
Fixed Rate Perpetual Securities:	Fixed Rate Perpetual Securities will confer a right to distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities and the relevant Pricing Supplement, the distribution rate may be subject to reset on such date and bases as may be set out in the relevant Pricing Supplement. If so provided on the face of the Fixed Rate Perpetual Securities and the relevant Pricing Supplement, on the occurrence of a Relevant Indebtedness Default Event (as defined below), the Distribution Rate shall be increased as provided in the terms and conditions of the Perpetual Securities unless an irrevocable notice to redeem the Fixed Rate Perpetual Securities has been given by the Issuer by the 30th day following the occurrence of such Relevant Indebtedness Default Event or the Relevant Indebtedness Default Event is remedied by the 30th day following its occurrence.
Floating Rate Perpetual Securities:	Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to distribution at a rate to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

	Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Distribution Discretion:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Payment Notice**") to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the terms and conditions of the Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date. If a Dividend Pusher is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may not elect to defer any distribution if during the "Reference Period" (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event, a "**Compulsory Distribution Payment Event**") have occurred: (a) a discretionary dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations; or (b) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in relation to Subordinated Perpetual Securities only, (except on a *pro-rata* basis) any of the Issuer's Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration, and/or as otherwise specified in the applicable Pricing Supplement. For the purpose of the above paragraph, "**Junior Obligation**" means any ordinary shares of the Issuer and any class of the Issuer's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities.

Non-Cumulative Deferral and Cumulative Deferral:	If Non-Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the terms and conditions of the Perpetual Securities is non-cumulative and will not accrue distribution. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the terms and conditions of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the terms and conditions of the Perpetual Securities. Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro-rata* basis. If Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the terms and conditions of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the terms and conditions of the Perpetual Securities) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the terms and conditions of the Perpetual Securities except that Condition 4(IV)(c) of the terms and conditions of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full. If Additional Distribution is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the terms and conditions of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of Condition 4 of the terms and conditions of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Non-Payment:	If Dividend Stopper is so provided on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the terms and conditions of the Perpetual Securities, the Issuer shall not and shall procure that none of its subsidiaries shall: (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or in relation to Subordinated Perpetual Securities only, (except on a pro-rata basis) any of the Issuer's Parity Obligations; or (b) redeem, reduce, cancel, buy-back or acquire for any consideration and will procure that no redemption, reduction, cancellation, buy-back or acquisition is made in respect of any of the Issuer's Junior Obligations or in relation to Subordinated Perpetual Securities only, (except on a pro-rata basis) any of the Issuer's Parity Obligations, in each case unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Form and Denomination of Perpetual Securities:	The Perpetual Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Perpetual Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Perpetual Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Perpetual Securities upon the terms therein. Each Tranche or Series of registered Perpetual Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the terms and conditions of the Perpetual Securities, a Certificate shall be issued in respect of each Perpetual Securityholder's entire holding of registered Perpetual Securities of one Series.
Custody of the Perpetual Securities:	Perpetual Securities which are to be listed on the SGX-ST may be cleared through CDP. Perpetual Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Perpetual Securities which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a Common Depositary.
Status of the Senior Perpetual Securities:	The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Status of the Subordinated Perpetual Securities:	The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves and *pari passu* with any Parity Obligations of the Issuer.

Subordination of Subordinated Perpetual Securities:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.
No set-off in relation to Subordinated Perpetual Securities:	Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

Redemption at the Option of the Issuer:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.
Redemption for Taxation Reasons:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if: (i) the Issuer receives a ruling by the Comptroller of Income Tax (or other relevant authority) which confirms that: (A) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or (B) the distributions (including Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or (C) the distributions (including Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(ii) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the terms and conditions of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore (or, if the Issuer is not incorporated in Singapore, such other jurisdiction in which the Issuer is incorporated) 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 of such Perpetual Securities or any other date specified in the Pricing Supplement, and

(B) such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons:

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

Redemption for Tax Deductibility:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of: (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the issue date of such Perpetual Securities; (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the issue date of such Perpetual Securities; or (iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the issue date of such Perpetual Securities that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the issue date of such Perpetual Securities, payments by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by the Issuer for Singapore income tax purposes.
Redemption in the case of Minimal Outstanding Amount:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued (if any) to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Redemption in the case of Relevant Indebtedness Default Event:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued (if any) to (but excluding) the date fixed for redemption) upon the occurrence of a Relevant Indebtedness Default Event. "**Relevant Indebtedness Default Event**" means the occurrence of one or more of the following events: (i) any Indebtedness for Borrowed Money of the Issuer or any of its Principal Subsidiaries becomes (or becomes capable of being declared) due and repayable prematurely by reason of any default or an event of default (howsoever described); or (ii) the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment or, as the case may be, within any originally applicable grace period; (iii) any security given by the Issuer or any of its Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that the aggregate amount of such Indebtedness for Borrowed Money, guarantees and indemnities in respect of which one or more of the events mentioned above have occurred equals or exceeds S$15,000,000 or its equivalent in other currencies (as determined by the Trustee). "**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

Redemption upon Cessation or Suspension of Trading of Shares:	If so provided in the Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Cessation/ Suspension of Trading Event. A "**Cessation/Suspension of Trading Event**" occurs when (i) the shares of the Issuer cease to be traded on the Singapore Exchange Securities Trading Limited (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. "**Market day**" means a day on which the SGX-ST is open for securities trading.
Limited right to institute proceedings in relation to Perpetual Securities:	Notwithstanding any of the provisions in Condition 9 of the terms and conditions of the Perpetual Securities, the right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the terms and conditions of the Perpetual Securities.
Proceedings for Winding-Up:	If (i) an order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of more than 14 days (in the case of distribution) or seven days (in the case of principal) (together, the "**Enforcement Events**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the terms and conditions of the Perpetual Securities, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

Taxation:	All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see Condition 7 of the terms and conditions of the Perpetual Securities and please refer to "Singapore Taxation".
Listing:	Each Series of the Perpetual Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Perpetual Securities is approved, for so long as such Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Perpetual Securities will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 or its equivalent in foreign currencies.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, please refer to "Subscription, Purchase and Distribution". Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.
Governing Law:	The Programme and any Perpetual Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

CORPORATE INFORMATION

The Issuer is incorporated in Singapore with limited liability with company registration number 200003108H. Its registered office is at 211 Upper Bukit Timah Road, Singapore 588182. Its corporate website is http://investor.banyantree.com. Information contained on the Issuer's website does not constitute a part of this Information Memorandum.

Board of Directors	:	Mr Ho KwonPing Mr Ariel P Vera Mr Chia Chee Ming Timothy Mrs Fang Ai Lian Mr Chan Heng Wing Mr Tham Kui Seng Mr Lim Tse Ghow Olivier Mrs Karen Tay Koh Mr Zhang Xu Mr Gaurav Bhushan Mr Chew Van Hoong Jason Mr Mohamed Al-Hashmi (Alternate Director to Mr Chew Van Hoong Jason)
Company Secretary	:	Ms Shelly Yeo
Registered Office	:	211 Upper Bukit Timah Road Singapore 588182
Auditors to the Issuer	:	Ernst & Young LLP Public Accountants and Chartered Accountants One Raffles Quay North Tower, Level 19 Singapore 048583
Arrangers of the Programme	:	Credit Suisse (Singapore) Limited 1 Raffles Link #03-01 South Lobby Singapore 039393 Maybank Kim Eng Securities Pte. Ltd. 50 North Canal Road Singapore 059304
Legal Adviser to the Issuer as to Singapore law	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the Arrangers as to Singapore law	:	Rajah & Tann Singapore LLP 9 Straits View #06-07 Marina One West Tower Singapore 018937

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent	:	The Hongkong and Shanghai Banking Corporation Limited 21 Collyer Quay #03-01 HSBC Building Singapore 049320
Trustee for the Securityholders	:	HSBC Institutional Trust Services (Singapore) Limited 10 Marina Boulevard Marina Bay Financial Centre, Tower 2 #45-01 Singapore 018983
Legal Adviser to the Trustee as to Singapore law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989

RISK FACTORS

Before making an investment decision, prospective investors should carefully consider all the information set forth in this Information Memorandum and any documents incorporated by reference herein, including the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the businesses of the Group, or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Issuer is currently unaware of or which the Issuer may currently deem immaterial may also impair its business, assets, financial condition, revenues, profitability, results, performance or prospects. If any of the following risk factors develop into actual events, the business, assets, financial condition, revenues, profitability, results, performance or prospects of the Issuer and/or the Group, and the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected and investors may lose all or part of their investment in the Securities.

Headings and sub-headings are for convenience only and risk factors that appear under a particular heading or sub-heading may also apply to one or more other headings or sub-headings.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Issuer, prior to making an investment decision in relation to the Securities issued under the Programme. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (nor 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, any of the Dealers or the Arrangers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

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

RISKS RELATING TO THE GROUP'S BUSINESS

The Group may not be able to successfully develop new resorts, hotels, spas or residences, or enter into new management agreements for resorts, hotels and spas

The Group is developing, and intends to develop new resorts, hotels, spas and residences in the future. The Group also intends to enter into new management agreements with the owners of resorts, hotels and spas for the management of such assets in the future. These resorts, hotels, spas residences and residences may be situated in new locations where the Group has limited operating experience, and could present operating, management, marketing, financial and legal challenges different from those that the Group currently encounters in its existing locations.

The Group's ability to expand its business and operations and pursue new growth opportunities successfully will also depend on many factors, such as its ability to:

- identify suitable acquisition and expansion opportunities;
- negotiate purchases of vacant land and/or existing hotel or resort properties as well as the construction or refurbishment of resorts, hotels, resort residences and serviced residences, and the management of resorts, hotels and spas, on satisfactory terms;
- obtain the necessary financing on competitive terms;
- obtain the requisite regulatory and/or governmental approvals; and
- integrate new properties into its existing operations.

There can be no assurance that the Group will succeed in implementing its strategy of expanding into new geographic markets to become more accessible to its key customer segments. If the Group is unsuccessful in doing so, it may be unable to expand its operations and/or enter into new management agreements and/or increase its revenues and profits.

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

Natural disasters and the outbreak of infectious diseases that are beyond the Group's control may adversely affect the economy, infrastructure and livelihood of the people in those countries or regions. Some countries or regions where the Group operates face threats of floods, earthquakes, sandstorms, snowstorms, fires, droughts and haze and the outbreak of infectious disease such as SARS, H5N1 avian flu, Influenza A (H1N1), MERS, Ebola, Zika and mostly recently, the coronavirus disease 2019 (COVID-19) by the World Health Organisation.

COVID-19 was first identified in Wuhan City, Hubei Province China in December 2019 and has rapidly spread to every province in China and many other countries, including those where the Group operates, such as Thailand, Indonesia and South Korea. In an effort to curb the spread of the highly infectious coronavirus, countries around the world have imposed various measures, including travel restrictions, extended delays, suspension of business activities, quarantines, locking down towns, urging citizens to stay at home and suspending major events. As a result, the business and operations of the Group have been and may continue to be significantly affected. In particular, guests who may have previously made bookings may cancel their travel plans and the bookings for the Group's properties worldwide may continue to suffer as travellers may elect to reduce international travel. While the occupancy rate at the Group's hotels and resorts may decline due to the COVID-19 outbreak, operating the Group's hospitality assets involves significant fixed costs that may not decrease significantly even with reduced occupancy rates, thereby materially and adversely affecting the Group's liquidity and earnings. The high uncertainties associated with the COVID-19 epidemic make it difficult to predict how long these conditions will persist and the extent to which the Group may be eventually affected.

Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to national and regional economies. An outbreak of health epidemic or contagious disease, such as the ongoing COVID-19 epidemic, may further create negative economic impact and decreased viability in the global market. This may result in a reduction in the ability and willingness of consumers to spend money on leisure and entertainment activities (including vacations) which may reduce recreational travel and consumer's patronage of the Group's hotels and resorts, and in turn adversely affect the Group's business, financial condition or results of operations. The outbreak may also adversely affect the Group's ability to sustain normal operations and provide uninterrupted services to its customers.

Apart from the outbreak of infectious diseases, flooding and any other severe weather and natural disasters may cause substantial structural and physical damage to the Group's properties. These natural disasters can result in substantial expenses related to, among others, repairing the damage caused, and such damage may not be fully covered by insurance, if any.

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

The Group may fail to promote or guard the value of its brands

The Group intends to continue to develop and increase the value of the Banyan Tree, Angsana, Cassia and Dhawa brands. The Group believes brand awareness, image and loyalty are critical to its ability to achieve and maintain high average occupancy levels and average room rates, and to support the larger number of resorts, hotels, spas and galleries it intends to operate and/or manage. If the Group fails to provide the service levels, the facilities and/or the experience promised by its marketing programmes, then the value of its brands could be diminished, which would have a material adverse effect on its business, financial condition, profitability and results of operations. The Group may also be affected by customer complaints, whether or not justified. There may be negative publicity arising from such complaints and customers may also file claims with, among others, consumer protection authorities, which may impose fines or other penalties on the Group or undertake civil claims against the Group. Any of the foregoing may result in the Group's business, results of operations and financial performance being materially and adversely affected.

The Group's success will also depend on its awareness of and its ability to prevent third parties from using its brands without its consent. There is no assurance that the Group's intellectual property rights will not be infringed and, where such infringements occur, the Group could incur substantial costs in pursuing any claims relating to its intellectual property rights (including its trademarks). Depending on whether the Group is able to discover any such infringement of its intellectual property rights and successfully enforce its legal rights in the jurisdictions where such infringements may occur, the Group's business and branding may suffer as a result of any misuse of its intellectual property rights. In such circumstances, the Group's reputation and business may be adversely affected. Further, if the Group decides to pursue action against such infringements to protect its reputation, it could result in diversion of its resources (both financial and otherwise). Further, issues relating to intellectual property rights can be complicated and/or enforcement of intellectual property rights in certain jurisdictions in which the Group operates may not be robust, and there is no assurance that disputes in relation to intellectual property rights will not arise or that any disputes will be resolved in the Group's favour.

Acts of terrorism, political unrest or war may adversely affect the Group's business

Terrorist attacks, political unrest, armed conflicts or other acts of violence, may adversely affect the Group's operations, revenues and profitability. There has been an increasing number of acts of violence, bombings and similar politically and/or ideologically motivated attacks in recent years. The consequences of any terrorist attacks, armed conflicts, political unrest or other acts of violence are unpredictable and may include the issuance of travel advisories warning people to defer and/or avoid travel to certain locations in which the Group operates, as well as a general reluctance of people to travel. The Group may not be able to foresee events that could have an adverse effect on the travel, hospitality and leisure industry, the locations in which the Group's resorts and hotels are located and its business and results of operations.

For example, in respect of Thailand, since January 2004, there have been numerous terrorist incidents, including attacks on Thailand's security forces and other sporadic acts of violence caused by separatist groups in southern Thailand, approximately 500 kilometres from Laguna Phuket. The Thai government declared martial law in certain southern provinces of Thailand in January 2004 and in November 2005 to curtail the violence. In May 2014, the Thai military launched a coup against the Thai government and declared martial law and curfew nationwide. The military coup led to many countries issuing travel advisories to Thailand. In August 2016, several bomb explosions in various tourist areas in southern Thailand, including Phuket, resulted in casualties. In May 2017, there were two small pipe bombs explosions in Bangkok and three in Southern Thailand, and between June and September 2017, four more bomb explosions, targeted at the police and army, occurred in Southern Thailand. These attacks were blamed on the separatist movement. In respect of the Maldives, political tension and unrest in recent years, culminating in a state of emergency for approximately one month, with the arrest of two judges of the Supreme Court of the Maldives in February 2018, has had an adverse effect on its tourism industry. If such terrorist incidents, political unrest and/or acts of violence were to continue in Thailand, the Maldives or spread to the surrounding region, its hospitality and leisure industry could experience a downturn and there could be a material adverse effect on the Group's business, financial condition, profitability and results of operations.

The Group derives a major portion of its revenues from LRH's operations in Thailand and the Group is therefore highly dependent on LRH's contribution to the Group's performance and the Group is subject to economic, political, legal, regulatory and other risks affecting Thailand

For the years ended 31 December 2017, 2018 and 2019, 51%, 45% and 101% of the Group's earnings before interest, tax, depreciation and amortisation respectively, were attributable to the Group's interest in LRH. For the years ended 31 December 2017, 2018 and 2019, LRH's contribution as a percentage of the Group's revenue was 59%, 68% and 76% respectively. In April 2018, the Group further increased its shareholding interest in LRH from 65.75% as at 31 December 2017 to 86.28%. The Group is therefore highly dependent on LRH's contribution to the Group's performance.

As a result, any condition which might have a material adverse effect on LRH's business, financial condition, profitability and results of operations, such as any adverse economic, political, legal and/or regulatory conditions affecting Thailand, changes in the attractiveness of Thailand as a tourist destination, acts of terrorism (such as those described in the risk factor titled "Acts of terrorism, political unrest or war may adversely affect the Group's business" above), increased levels of criminal activity, civil unrest or epidemics which affect Thailand, increased competition for the resorts, hotels, spas and galleries in which LRH has an ownership interest or a depression of property values in Phuket, could have a material adverse effect on the Group's business, financial condition, profitability and results of operations.

Further, the operation of hotels in Thailand is subject to various local laws, licensing requirements and regulations. These include, without limitation, health and liquor licensing laws and laws and regulations governing relationships with employees in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

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

In addition, a majority of the Group's employees are based in Thailand. Labour laws in Thailand are highly protective of employees. Under Thai labour laws, the Group is generally prohibited from discharging employees without severance payments and/or compensation in the absence of gross misconduct, neglect, or acts of dishonesty. As such, it has limited measures at its disposal to reduce headcount in order to increase efficiencies, reduce costs or achieve similar objectives. Any changes to employment terms and conditions that diminish employees' rights and benefits would require consent from employees. The Group has been restricted in the past and expects in the future to be limited to using voluntary plans and similar measures under which selected employees may elect to leave in return for lump-sum compensation packages and other benefits.

There is also the risk of compulsory acquisition by the Thai Government of the Group's properties in Thailand, as described in the risk factor titled "The Group's properties or part thereof may be acquired compulsorily".

The occurrence of any of the foregoing, or any failure by the Group to comply with any such regulatory and licensing requirements or the withdrawal, suspension or non-renewal of any licences or permits may have a material adverse impact on the Group's business, financial condition, profitability and results of operations.

The Group is exposed to interest rate risks

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

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

- the party owing money in the hedging transaction may default on its obligation to pay;

- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs the Issuer's ability to sell or assign its side of the hedging transaction; and

- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes although unrealised, would reduce the net asset value of the Group if it is due to downward adjustments.

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

A fire, accident or other calamity at one of the Group's resorts, hotels and/or serviced residences could adversely affect the Group's business and operations

The Group currently operates resorts, hotels and serviced residences. A fire or other calamity resulting in significant damage to any of these resorts, hotels and serviced residences could have a material adverse effect on the Group's business, financial condition, profitability or results of operations. The consequences of fire, accidents or calamities could be severe and they could have a material adverse effect on the Group's business, financial condition, profitability and results of operations. The Group cannot determine when such an event will occur or the effect that it will have on the hospitality and leisure industry in areas in which the Group's hotels, resorts or serviced residences are located. For example, on 26 December 2004, a powerful earthquake struck the floor of the Indian Ocean off the northwest coast of Sumatra, Indonesia triggering a massive tsunami which devastated towns, seaside communities and holiday resorts, killing tens of thousands of people in several countries. Also, from July 2011 to January 2012, Thailand encountered the worst flooding in five decades. Not only did the tsunami and the flooding cause physical damage in the areas affected, it also had a severe effect on the hospitality and leisure industry in the region as tourists were deterred from travelling to the devastated and nearby areas. The tsunami and the flood affected the operation and financial results of the Group's resorts in Phuket (and to a lesser extent, Maldives) and Bangkok, respectively.

The Group's insurance policies do not cover all operating risks

The Group's properties could suffer physical damage caused by fire or natural disaster or other causes for which the Group may suffer public liability claims, all of which may result in losses that may not be fully compensated by insurance proceeds. In addition, certain types of risks may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. There are also 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 resorts. If accidents, injuries or prohibited activities occur at any of the Group's hotels or resorts, the Group may be held liable for costs or damages and fines, and any such occurrence may also adversely affect the Group's safety reputation among guests, harm its brand, decrease its overall occupancy rates and increase its costs by requiring the Group to implement additional safety measures.

While the Group maintains comprehensive insurance policies covering losses, including those arising from fire, accidents, calamities and (save for properties managed by the Group) acts of terrorism, should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property. The Group would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates. Further, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. There can be no assurance that the Group's policies would be sufficient to cover all potential losses, regardless of the cause, or whether it can recover for such losses.

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

Rapid growth in the Group's resort, hotel, spa operations and property sales will continue to place additional demands on its management team, its global sales team, its in-house design and project management divisions and its financial reporting and information systems. There can be no assurance that the Group's expansion plans can be implemented successfully and that the Group will be able to recruit and retain sufficient numbers of high quality management and staff to service the additional resorts, hotels, spa operations and property sales.

The Group is subject to risks associated with constructing new properties or converting existing properties into Banyan Tree, Angsana, Laguna and Dhawa resorts and hotels and Cassia serviced apartments

New project developments and property conversions into Banyan Tree, Angsana, Laguna and Dhawa resorts and hotels and Cassia serviced apartments are subject to a number of risks, many of which are outside the Group's control, including:

- market or site deterioration after acquisition;

- the possibility of discovering previously undetected defects or problems at a site or property to be converted; and

- the possibility of construction or conversion delays or cost overruns due to delayed regulatory approvals, inclement weather, labour or material shortages, work stoppages and the unavailability of construction and/or long-term financing.

A minimum of two years normally elapses between the time the design of a new resort, hotel or serviced apartment commences and the project's completion, while conversion of an existing resort, hotel or serviced apartment normally takes between six to nine months to complete. Between the time from the design of a new resort, hotel or serviced apartment commences to its completion, operating conditions, travel preferences, political or social conditions of the location or other conditions critical to the success of the resort, hotel or serviced apartment may change, such that the Group is unable to open the resort, hotel or serviced apartment, repay its debt financing and/or achieve its projected returns. Please refer to the risk factor titled "The Group may not be able to successfully develop new resorts, hotels, spas or residences, or enter into new management agreements for resorts, hotels and spas".

The Group is subject to risks associated with the execution of new strategies

The Group may from time to time, review its business strategy. In the event of a change in the Group's business strategy, there can be no assurance that the Group will be able to implement its new business strategy successfully. Such successful implementation may depend on numerous factors, some of which are beyond the Group's control, including, without limitation, economic, political, legal, regulatory and competitive uncertainties. Such new business strategies may also cause the Group to incur substantial costs, affect the value of the Group's brands, cause delays in the Group's development, and divert the Group's resources and management's attention from capitalising on other opportunities, which could have a material and adverse effect on the Group's business, financial condition, profitability and results of operations.

Most recently, the Group has announced its intention to employ a new growth strategy to add more depth to its current property segment where properties are currently sold as luxury holiday or secondary homes. The Group intends to capitalise on the Banyan Tree brand and build branded residential primary or owner-occupied homes. The Group is targeting discerning buyers looking to buy properties for use as their primary homes and who appreciate the Banyan Tree design and quality.

The Group's budgeted costs of its current and future projects may be exceeded and such projects may not be completed within contemplated time schedules. Where regulatory approvals and permits fail to be obtained in time, or at all, the construction of such projects may be prevented or delayed and completion costs may be increased. In addition, it is possible that the identified target market to which such projects are intended to be marketed may not grow rapidly or as rapidly as anticipated. Even if such markets were to grow rapidly, there is no assurance that the Group would be able to achieve its desired growth results for that market segment and to compete successfully against significant competitors whose positions may be more established.

The Group has entered into non-wholly-owned investments and face risks from these non-wholly-owned investments

The Group has interests in joint ventures, such as the joint venture between the Issuer and China Vanke Co., Ltd, in connection with its business strategies. There may be disagreements between the Group and its joint venture partners regarding the business and operations of the joint ventures which the Group might not be able to resolve amicably. The Group's joint venture partners may (i) have economic or business interests that are inconsistent with those of the Group; (ii) take actions contrary to the Group's instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the performance of the Group's joint ventures, which may in turn materially and adversely affect its financial condition and results of operations.

While the Group monitors its joint ventures and takes steps to maintain amicable and professional relations with its joint venture partners, there is no assurance that these measures will be adequate or successful. Any risks or problems with the Group's partners could materially and adversely affect its business, financial condition, results of operations, cash flows and prospects. The resolution of disagreements or disputes between the Group and its joint venture partners may take time, and there can be no assurance that such disagreements or disputes will be resolved in the Group's favour. Any disagreement with the Group's joint venture partners or an inability to arrive at a consensus may also harm the Group's reputation and impede its ability to grow its business in the relevant country or area of service, which may adversely affect its business, financial condition, results of operations, cash flows and prospects.

The Group expects to face competition for management agreements, which may contain restrictive provisions, including restrictions on competition

Part of the Group's growth strategy focuses on expansion through the entry into additional management agreements. In pursuing this strategy, the Group will compete with international, regional and local management companies and brand franchisers, some of which may have greater name recognition and financial resources than the Group does. Competition for management agreements is intense among management companies and brand franchisers in the hospitality and leisure industry. As a result, in order for the Group to expand its business activities through the entry into additional management agreements, the Group may be required to offer more attractive terms to hotel owners than under its existing agreements. The Group also anticipates that, in certain cases, it may be required to make equity investments in hotel properties in order to secure management agreements. Even in the event that the Group is able to secure management agreements, the Group's management agreements may not be renewed when they expire.

In addition, certain of the Group's resort, hotel and spa management agreements contain provisions restricting its ability to manage other resorts, hotels and spas within specific geographic areas surrounding some of its resorts. Such restrictions could have a material adverse effect on the Group's business, financial condition, profitability and results of operations.

The Group may face potential conflicts of interests with related parties

The Group has entered into various transactions with companies directly or indirectly controlled by or associated with its Executive Chairman and controlling shareholder, Mr Ho KwonPing. Such companies include companies within the TRL Group (one of the Group's shareholders and a company which has an ownership interest in certain of the hotels and resorts that the Group manages), and Thai Wah Public Company Limited ("**Thai Wah Public**"). See the notes to the Group's financial statements appearing elsewhere in this Information Memorandum for the details of its previous and current interested person transactions. In the future, the Group expects that it may enter into other transactions with related parties.

Some of the Group's directors are also officers, directors and/or shareholders of related parties and, with respect to the interested person transactions, may, individually or in the aggregate, have conflicts of interests. The Group has obtained certain undertakings to address the potential conflicts of interests with related parties. If these undertakings are breached, there may be conflicts of interests between the Group and related parties including companies within the TRL Group, Thai Wah Public and/or their respective subsidiaries and/or associated companies (if any).

Fluctuations in exchange rates may adversely affect the Group's reported financial results

Because of the geographic diversity of the Group's business, it receives revenue and incurs expenses in a variety of currencies. The Group's room rates are typically quoted in US dollars but payments are made in local currency at the then applicable exchange rate. Most of the Group's contracts with its wholesale distributors are denominated in US dollars. A substantial portion of the Group's revenue, including payments from resort, hotel and spa customers is denominated in US dollars but payable in local currency. The majority of the Group's expenses are denominated in local currency. As a result, the Group is exposed to depreciation of the US dollar against local currencies. In addition, its financial statements are presented in Singapore dollars. Changes in the value of local currencies, especially Thai baht, US dollar and RMB against the Singapore dollar can cause fluctuations in the Group's results of operations and could have a material adverse effect on its reported financial results.

The Group's financial statements are impacted by foreign exchange fluctuations through both:

- translation risk, which is the risk that its financial statements for a particular period or as of a certain date depend on the prevailing exchange rates of the currencies discussed above against the Singapore dollar; and

- transaction risk, which is the risk that the currencies of its costs and liabilities fluctuate in relation to the currencies of its revenue and assets. With respect to translation risk, even though the fluctuations of currencies against the Singapore dollar can be substantial and therefore significantly impact comparisons with prior periods, the translation impact is a reporting consideration and does not affect the underlying profit or loss of operations, as transaction risk does.

The Group faces risks associated with debt financing

In the future, the Group may be required to raise additional funding to meet capital or operational expenditure requirements, to increase its shareholding in subsidiaries and/or associated companies. If such funding requirements are met by way of additional debt financing, the Group is subject to risks associated with debt financing, including the risk that its cash flow will be insufficient to meet required payments of principal and interest under such financing and to make distributions. If the Group is unable to meet interest or principal payments, any properties which it has mortgaged could be foreclosed by the lender or the lender could require a forced sale of the mortgaged properties with a consequent loss of income and asset value to the Group.

In addition, the Group is or may be subject to certain covenants in connection with current or future borrowings that may:

- increase its vulnerability to general adverse economic and industry conditions;
- restrict its ability to acquire properties or undertake other capital expenditures or may require it to set aside funds for maintenance or repayment of security deposits;
- limit its ability to pursue its growth plans;
- require it to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing the availability of its cash flow to fund capital expenditure, working capital requirements and other general corporate purposes; and/or
- limit its flexibility in planning for, or reacting to, changes in its business and its industry.

For example, as at 31 December 2019, LRH and its subsidiaries have entered into various loan agreements with various lenders which would limit or restrict the ability of LRH or, as the case may be, its subsidiaries from declaring, distributing or paying to its respective shareholders any dividends (whether by way of annual or interim dividends) in the event that LRH or, as the case may be, its subsidiaries fails to perform its payment obligations within the relevant due dates in accordance with the terms and conditions set out in the relevant loan agreement. In addition, LRH and/or its subsidiaries may enter into loan agreements or bank facility agreements after the date of this Information Memorandum pursuant to which the relevant lender may impose a similar dividend restriction on LRH or, as the case may be, its subsidiaries. As at 30 April 2018, the Issuer has an 86.28% shareholding interest in LRH and a majority of the Group's revenues were attributable to the Group's interest in LRH. See the risk factor titled "The Group derives a major portion of its revenues from LRH's operations in Thailand and the Group is therefore highly dependent on LRH's contribution to the Group's performance and the Group is subject to economic, political, legal, regulatory and other risks affecting Thailand". Any restriction on dividend payments by LRH could have a material adverse effect on the cashflow position of the Issuer.

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

Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make available commercial real estate debt financing) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which would adversely affect the Group's cash flow and the amount of distributions the Group could make to its shareholders.

Further, the Group may be unable to obtain future financing on favourable terms, or at all, to fund its operations, expected capital expenditure and working capital requirements. The Group incurs indebtedness in connection with the construction or refurbishment of resorts and hotels as well as in connection with converting existing properties into resorts and hotels. Outside Thailand, for example, in the Maldives, its subsidiaries historically have borrowed mostly in US dollars as their construction costs tend to be denominated in US dollars and a substantial portion of its subsidiaries' revenues are denominated in US dollars. The Group may have difficulty finding lenders who will provide sufficient US dollar denominated financing for its planned new resorts and hotels as these properties may be located in countries with respect to which local lenders may be unable to make US dollar denominated loans and foreign lenders may be unwilling or unable to loan significant amounts necessary to construct a new resort or hotel. In addition, lenders may

be unwilling to accept security interests in the property being developed as collateral for the loan due to the illiquidity of the relevant property. If the Group is unable to raise such financing on favourable terms, or at all, it may not be able to fund its operations sufficiently or the Group may be unable to carry out its planned expansion, all of which could have a material adverse effect on its business, financial condition, profitability, results of operations and ability to implement the Group's growth strategy.

The Group is reliant on key members of its senior management team

The Group's success depends largely on the skills, experience and performance of key members of its senior management team, especially its Executive Chairman, Mr Ho KwonPing. However, there is no assurance that it will continue to have the service of the key members of its senior management team. If the Group were to lose one or more of these key employees, its ability to set and implement successfully its strategy could be materially adversely affected. The Group generally does not maintain significant key-person life insurance on its employees. Its future success also depends on the continued service of its key operating, marketing, design and administrative personnel.

The Group must attract, train and retain qualified employees to execute its business strategy

As a service-oriented company, the Group's future success depends largely on its ability to hire, train and retain appropriately qualified employees with appropriate language skills and cultural sensitivity to pursue its resort, hotel and spa management, customer service and sales and marketing activities. Skilled personnel in these areas, especially for certain remote locations where the Group has operations, such as Seychelles, have on occasion been in short supply, and any shortages in the future may increase competition for such personnel and hence the staff turnover and/or employment costs incurred by it. Any inability to hire, train and retain a sufficient number of qualified employees could materially adversely affect the Group's business.

In addition, labour disruptions at the Group's resorts and hotels can also negatively affect its ability to operate. For example, in February 2009, hotels in Laguna Phuket were confronted with the illegal assembly of around 150 staff, their blockage of public roads and infringement of private property. This was a result of several Laguna Phuket hotel unions not accepting their year-end bonus awarded to the employees. As a result of the disruptions, the Group's operations were affected but this had no significant impact on its financial results.

The Group's properties or part thereof may be acquired compulsorily

Immovable properties in Thailand and other countries where the Group operates may be subject to expropriation. For example, the Thai Government may expropriate immovable properties for the purpose of public utilities, national defence, acquisition of natural resources, city planning, development of agriculture or industry, land reform or other public benefits. However, the Thai Government has to pay compensation in these circumstances. Under the Expropriation and Acquisition of Immovable Property Act B.E. 2562 (2019), the compensation will be determined by taking into account certain factors including market price, condition, location, reason and purpose of the expropriation.

In addition, certain state enterprises or government entities have the right to expropriate immovable properties for their own use, for example, the State Railway Authority of Thailand and the Department of Highways. If any of the Group's property in Thailand or other countries was acquired compulsorily, the Group may not receive the property's fair market value as compensation. In addition, the Group may not be able to replace the revenue streams it loses as a result of its loss of ownership in the property, which may have a material adverse effect on its business, operating results, profitability and financial condition.

RISKS RELATING TO THE INDUSTRY IN WHICH THE GROUP OPERATES

The Group's results of operations are dependent on the conditions of the hospitality and leisure industry and the state of the property market in the countries in which it operates, especially Thailand

The number of guests at the Group's resorts and hotels is affected, to a large extent, by the conditions of the hospitality and leisure industry in the countries in which it operates. Any condition that adversely affects the hospitality and leisure industry in the Asia Pacific, or Thailand specifically, such as acts of terrorism, health scares (e.g. the ongoing COVID-19 epidemic), adverse weather conditions and natural disasters, new visa requirements or seasonal factors, may cause a drop in Average occupancy levels and/or Average room rates at its resorts, hotels and spas. See also the risk factor titled "The Group derives a major portion of its revenues from LRH's operations in Thailand and the Group is therefore highly dependent on LRH's contribution to the Group's performance and the Group is subject to economic, political, legal, regulatory and other risks affecting Thailand" above.

The Group's property sales are affected by demand and supply factors in relation to the property market in the Asia-Pacific and in particular, Thailand. If there were a prolonged depression of the property market in these areas, it could have a material adverse effect on its property sales revenues. Such conditions would have a material adverse effect on the Group's business, financial condition, profitability and results of operations.

The Group faces significant competition

The hospitality and leisure industry is highly competitive. The Group's resorts and hotels compete with international, regional and local resort and hotel companies, some of which have greater name recognition and financial resources than the Group does. The Group's resorts and hotels are often located in areas where competition is intense. Competitive factors at each resort or hotel destination include room rates, quality of accommodation, name recognition, service levels and convenience of location, and to a lesser extent, the quality and scope of other amenities. Recently, increased competition from other alternative accommodation options, such as Airbnb, which may offer more attractive rates for guests, have also started to become more prevalent. Competition also exists between destinations and is affected by factors such as the political stability, social conditions, market perception, local culture, the ability of the location to successfully promote itself as a tourist destination, accessibility, infrastructure and other macro-level factors. There can be no assurance that new or existing competitors will not offer significantly lower rates than the Group's rates or offer greater convenience, services or amenities or significantly expand or improve facilities in the locations in which it operates, thereby adversely affecting its results of operations. There also can be no assurance that demographic, geographic or other changes in markets will not adversely affect the accessibility or attractiveness of the Group's resort and hotel properties.

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

The Group's spas also face significant competition. The Group faces many competitors in most locations in which it operates. The Group's competitors may offer similar treatments which may erode the Group's competitive advantage and/or force it to lower the prices at which it offers its treatments. The Group is under constant pressure to innovate with respect to its resorts, hotels and spas to maintain its market leading position. There can be no assurance that such competition will not adversely affect the Group's business and results of operations.

The Group's business is subject to government rules and requirements, which may adversely affect its operations

The Group is subject to various national and local government regulations, including those relating to the environment, the operation of resorts and hotels, preparation and sale of food and beverages, general building and zoning requirements, occupational health and safety requirements and foreign exchange regulations (in countries such as Seychelles and China). The Group's spa treatment products are also subject to local health regulations in the locations in which it operates. The Group is also subject to laws governing its relationship with its employees, including minimum wage, overtime, working conditions and work permit requirements. Also, the success of the Group's strategy to develop new properties and/or expand its existing properties may be dependent upon its obtaining necessary building permits or zoning variances from local authorities. Compliance with these laws and regulations can increase costs and reduce revenues and profits of the Group's resorts, hotels and spas or otherwise adversely affect its operations. The Group's Residences and Extended Stay business is also subject to regulations limiting the ability of non-local investors to acquire an ownership interest in the Group's developed properties. These regulations may reduce the market for the Group's development properties and thereby affect its ability to sell more properties as well as the prices it is able to charge.

The Group may be exposed to unknown or unforeseen environmental liabilities

The Group is subject to various national and local environmental laws, ordinances and regulations relating to the environment, which may impose or create significant potential environmental liabilities. Although the Group is not currently aware of any material environmental claims pending or threatened against it or any of its properties, no assurance can be given that a material environmental claim will not be asserted against it, and ultimately result in liability for the Group. The cost of defending against, and ultimately paying or settling, claims of liability or of remediating a contaminated property could have a material adverse effect on the Group's results of operations.

Further, recently, authorities have been moving to conserve tourist destinations/attractions, such as Maya Bay in Thailand and Boracay in the Philippines, to allow recovery from overpopulation and intense tourist activity. Measures include limiting the number of tourists or closing entire areas (such as, beaches) for a period of time. Such measures may cause a drop in Average occupancy levels and/or Average room rates at its resorts, hotels and spas, thereby having a material adverse effect on the Group's business, financial condition, profitability and results of operations.

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

The Group engages independent third-party contractors to provide various services in connection with its property development projects.

The Group invites contractors to tender bids according to their reputation for quality and track record. The services rendered by independent third-party contractors may not be satisfactory or match the level of quality that the Group requires. Further, actions or omissions on the part of such independent third-party contractors may result in liability for the Group. For example, if the independent third-party contractor which the Group engages for the construction of its property development projects fails to put in place adequate measures to prevent accidents, injuries or prohibited activities, the Group may be subject to liability, regulatory penalties and negative publicity, which may have a material and adverse effect on the Group's business, financial condition, profitability, reputation and results of operations.

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

The hospitality and leisure business is seasonal. The Group's costs and expenses may remain constant even if its revenues decline, which would adversely affect its net profit and results of operations for that period

Certain periods in each financial year generally account for a lower portion of the Group's annual revenues than other periods due to seasonal fluctuations in the tourism industry and in the number of overseas visitors to Thailand and/or other countries in which the Group operates. However, the Group's expenses do not vary significantly with changes in occupancy rates and revenues because a significant portion of operating costs in its hospitality business is fixed. Accordingly, a decrease in revenues could result in a disproportionate decrease in the Group's earnings because its operating costs and expenses are unlikely to decrease proportionately. The Group's costs and expenses may remain constant even if its revenues decline, which would adversely affect its results of operations for that period.

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

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

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

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

RISKS RELATING TO GENERAL ECONOMIC AND POLITICAL CONDITIONS

Adverse economic conditions would negatively affect the Group's business

The Group's businesses are closely linked to economic growth and developments as well as global market conditions. These businesses are cyclical in nature and profitability will rise and fall with the general economic cycles and also be influenced by market conditions. Economic downturns are likely to have a negative impact on leisure travel and sales of property. Further, the Group could be affected by market and economic challenges which may arise from a continued or exacerbated general economic slowdown experienced by the global markets or the industry and economies in which the Group operates in or is dependent upon. An economic slowdown or downturn could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's business is also subject to prevailing economic conditions in markets or countries in which its guests reside. In particular, a majority of its guests visit from, and purchasers of its residences reside in, countries including Europe and the Asia Pacific, especially Russia, the United Kingdom, Japan, South Korea, China and Singapore. The Group believes that it is and will continue to be, substantially dependent on the ability and willingness of these consumers to spend money on leisure and entertainment activities, including vacations, in the locations where it operates. A deterioration in economic conditions in these countries may reduce the level of disposable income that consumers spend on leisure and entertainment activities, which may reduce their patronage of the Group's hotels and resorts, and in turn could have a material adverse effect on its business, financial condition, profitability and results of operations.

The pervasive and fundamental disruptions in the global financial markets have led to extensive and unprecedented governmental intervention in those markets. In addition, it is not certain when governmental intervention will end or what, if any, additional temporary or permanent restrictions and/or increased regulation governments may impose on the financial markets. Any further government intervention, restrictions or regulation could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to risks relating to the economic, political, regulatory, legal or social environments of the locations in which it operates

The Group is subject to risks associated with operating in countries that have at various times in the past been characterised by volatile economic, political and social conditions. The Group's business, earnings, asset values and prospects may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, policies implemented by supranational regulatory bodies, price and wage controls, exchange control regulations, real estate laws and regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting the countries in which the Group operates or in which the Group may expand into the future. The Group has no control over such conditions or developments and can provide no assurance that such conditions or developments will not have a material adverse effect on its operations.

The Group manages and/or has ownership interests in resorts and hotels located in 14 countries, including countries, such as Cuba, the Maldives, Morocco and Seychelles, which are outside of the Asia Pacific region where the Group's operations have traditionally been concentrated. The Group is subject to a broad range of risks, and it expects these risks to increase as it expands its operations into new countries, in particular, countries which may have a heightened political and/or regulatory climate. These risks include, among others, the following:

- governmental laws and regulations in such jurisdictions, including any unexpected changes thereto;
- risks arising from the political and/or regulatory climate in such jurisdictions;
- difficulties and costs of staffing and managing international operations;
- the ability of its management to deal with multiple, diverse or particularly onerous regulatory regimes;
- potentially adverse tax consequences;
- uncertain protection for intellectual property rights;
- the risk of nationalisation and expropriation of its assets;
- currency fluctuation and regulation risks;

- social unrest or political instability; and

- adverse economic, political and other conditions in such jurisdictions.

Any of these factors, many of which are outside the Group's control, could have a material adverse effect on its business, financial condition, profitability and results of operations.

From time to time, the Group may be involved in legal, regulatory and other proceedings and may incur substantial costs arising therefrom

From time to time, the Group may be involved in disputes with various parties. These disputes may lead to legal or other proceedings and may result in substantial costs, affect the value of the Group's brands, cause delays in the Group's development, and divert the Group's resources and management's attention, regardless of the outcome. In addition, if the Group were to incur substantial losses and liabilities arising from such disputes, such occurrence could have a material and adverse effect on the Group's business, financial condition, profitability and results of operations.

The Group may also have disagreements with regulatory bodies in the course of its operations on legal interpretation of laws and regulations which may subject the Group to administrative proceedings and unfavourable orders, directives or decrees that may have a material adverse effect on the Group's business, reputation, financial condition, results of operations and prospects.

The Group has operations in various jurisdictions in which the legal and regulatory regimes may be uncertain and in which it has no or little experience

The Group has operations in various developing countries, including Thailand, Indonesia and China, where the legal and regulatory regimes may be uncertain and subject to unforeseen changes as discussed below. At times, the interpretation or application of laws and regulations is unclear and in the past, it may not always have obtained adequate legal advice. Thailand's legal system is a civil law system based on written statutes. Supreme Court judgments may be used as a guideline for the interpretation of law. The application of certain Thai laws depends upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy.

Indonesia's legal system is a civil law system based on written statutes in which judicial decisions do not constitute binding precedent and are not systematically published. The application of many Indonesian laws and regulations depends, in large part, upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy. Indonesian judges operate in an inquisitorial legal system and Indonesian court decisions may omit express articulation of the legal and factual analysis of the issues presented in a case. Indonesian authorities have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. As a result, the administration and enforcement of laws and regulations by Indonesian courts and governmental agencies may be subject to uncertainty and considerable discretion.

Since 1979, the China government has begun to promulgate a comprehensive system of laws and has introduced many new laws and regulations to provide general guidance on economic and business practices in China and to regulate foreign investment. As these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement may involve significant uncertainty. The interpretation of laws in China may be subject to policy changes which reflect domestic political changes. As China's legal system develops, the promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may have an adverse effect on the Group's prospects, financial condition and results of operations in China.

The Group expects to grow its business by setting up new operations in other developing countries, which may exacerbate the legal and regulatory risks to which it is already subject.

RISKS RELATING TO THE SECURITIES GENERALLY

Limited liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities develops, there can be no assurance as to its liquidity or sustainability. Investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments with a developed secondary market. This may particularly be the case for Securities especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally may have a more limited secondary market and higher price volatility than conventional debt securities. If the Securities 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 securities, general economic conditions and the financial condition of the Issuer and/or the Group. If the Securities are trading at a discount, investors may not receive a favourable price for their Securities, and in some circumstances, investors may not be able to sell their Securities at their fair market value or at all.

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

Although an application will be made for the listing and quotation of Securities issued under the Programme agreed at or before issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be approved, that any particular tranche of Securities will be so admitted or that an active trading market will develop.

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

The trading price of the Securities may be influenced by numerous factors, including the market for similar securities, the operating results and/or financial condition of the Issuer, its subsidiaries and/or associated companies (if any), and political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore and countries in which the Issuer, its subsidiaries and/or associated companies (if any) operate or have business dealings could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of the Issuer, its subsidiaries and/or associated companies (if any).

Further, recent 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 Securities.

An investment in the Securities is subject to interest rate risk

An investment in fixed-rate Securities involves the risk that subsequent changes in interest rates may adversely affect the value of the Securities and Securityholders may suffer unforeseen losses due to such fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in debt security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, debt security prices may rise. Securityholders may enjoy capital gains but interest payments received may be reinvested at lower prevailing interest rates.

Currency risk associated with Securities denominated in foreign currencies

As the Securities can be denominated in currencies other than Singapore dollars, the Issuer may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Securities and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

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

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

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

An investment in the Securities is subject to inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns, as the principal repayment and interest payments or distributions on the Securities may not keep pace with inflation.

The Securities are not secured

The Securities and the Coupons relating to them constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured obligations of the Issuer and rank *pari passu*, with no preference or priority among themselves. On a winding-up or dissolution of the Issuer, the Securityholders will not have recourse to any specific assets of the Issuer and its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

The Issuer is primarily a holding company and payments with respect to the Securities are structurally subordinated to liabilities and obligations of each of the Issuer's subsidiaries

The Issuer is primarily a holding company and its ability to make payments in respect of the Securities depends largely upon the receipt of dividends, distributions, interests or advances from its wholly or partly-owned subsidiaries and associated companies. The ability of the subsidiaries and associated companies of the Issuer to pay dividends and other amounts to the Issuer may be subject to their profitability and to applicable laws. Payments under the Securities are not guaranteed by the Issuer's subsidiaries and are structurally subordinated to all existing and future liabilities and obligations of each of the Issuer's subsidiaries and associated companies. Claims of creditors of such companies will have priority as to the assets of such companies over the Issuer and its creditors, including holders of the Securities.

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

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, the Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg, CDP and/or such other clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors can trade their beneficial interests only through the relevant Clearing System. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Securities and Global Certificates.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by paying to the Common Depositary, CDP or such other clearing system for distribution to their accountholders or, to the CDP Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of beneficial interest in the Global Securities or Global Certificates must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders may act only if they are enabled by the relevant Clearing System(s) to appoint proxies. Similarly, holders of beneficial interests in the Global Securities and the Global Certificates will not have a direct right under the Global Securities and the Global Certificates to take enforcement action against the Issuer if a default occurs under the relevant Securities but must rely upon their rights under the Trust Deed.

The Securities may not be a suitable investment for all investors

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

- have sufficient knowledge and experience to meaningfully evaluate the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

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

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments differs from the potential investor's currency;

- understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and

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

Some Securities are complex financial instruments. Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments 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 the Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact such investment will have on the potential investor's overall investment portfolio.

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

Performance of contractual obligations by the Issuer depends on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the documents relating to the Programme or an issue of Securities of their obligations thereunder including the performance by the Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments under the Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Securityholders and/or the Couponholders.

Securities may be issued at a substantial discount or premium

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

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

Securities issued with denominations of a specified minimum amount and a higher integral multiple of another smaller amount might be traded in amounts in excess of the minimum denomination that are not integral multiples thereof. In such a case, a Securityholder who, because of trading such amounts, holds a principal amount less than the minimum denomination will not receive a Definitive Security or Certificate in respect of its holding (should Definitive Securities or Certificates be issued) and would need to purchase a principal amount of Securities such that it holds an amount equal to or more than the minimum denomination. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities and Certificates will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

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

In certain circumstances (including under Condition 11 of the terms and conditions of the Notes and Condition 9 of the terms and conditions of the Perpetual Securities), the Trustee may (at its sole discretion) request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee is not obliged to take any 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 affect when such actions can be taken.

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

Provisions in the Trust Deed and the terms and conditions of the Securities may be modified

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

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

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

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

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

The Programme allows for the issuance of Securities that reference certain interest rates or other types of rates or indices deemed to be "benchmarks", including the Singapore Interbank Offered Rates ("**SIBOR**") and the Singapore Dollar Swap Offer Rate ("**S$ Swap Rate**"), which uses the London Interbank Offered Rate ("**LIBOR**"), another benchmark, in its determination.

Benchmarks are the subject of ongoing national and international regulatory reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Security linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the UK Financial Conduct Authority has announced on 27 July 2017 that after 2021 it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark and that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021 by the UK Financial Conduct Authority. As the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after end-2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that, it has established a steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average. Similarly, The Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. The potential elimination of the LIBOR or the SOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Securities linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the "benchmark".

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR or SOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could result in adverse consequences to holders of any Securities linked to such benchmark. Furthermore, even before the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for securities based on the same benchmark.

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

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

Commencement of proceeding under applicable Singapore insolvency law or related laws may result in a material adverse effect on the Securityholders

There can be no assurance that the Issuer will not become bankrupt or insolvent, or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency related proceedings or procedures. If the Issuer or any creditor were to commence such proceedings under any applicable Singapore insolvency or related laws, this could result in a material and adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material and adverse effect on the Securityholders.

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

Further, Securityholders may be made subject to a binding scheme of arrangement if the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company initiated creditor schemes of arrangement, recent amendments to the Companies Act in 2017 have introduced cram-down provisions for where there is a dissenting class of creditors. The court may, notwithstanding a single class of dissenting creditors, approve a scheme, provided (i) an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it, (ii) the scheme does not unfairly discriminate and is fair and equitable to each dissenting class of creditors and (iii) the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

Further to the amendments that took effect on 23 May 2017 (some of which have been highlighted above), the Insolvency, Restructuring and Dissolution Bill (the "**IRD Bill**" or as passed, the "**IRD Act**") was passed in Parliament on 1 October 2018, but is not yet in force. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. The extent to which the provisions in the IRD Act will impact the Programme and transactions contemplated under the Programme (if at all) will depend on the extent to which such transactions will be exempted from the application of such provisions. While the relevant authorities have indicated that bonds will generally be exempted from the prohibition described above, the relevant details are not yet available and there is no certainty as to whether the transactions contemplated under the Programme will fall within such exemptions.

The Securities may be subject to optional redemption by the Issuer

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

Enforcement of remedies

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

Anti-money laundering and terrorism

The Trustee may take and instruct any delegate to take any action which the Trustee considers appropriate so as to comply with law, regulation, request of a public or regulatory authority or policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities, including but not limited to the interception and investigation of transactions. There is a risk that such action may delay or prevent the processing of payment instructions, the settlement of transactions or the Trustee's performance of its obligations under the Trust Deed.

RISKS RELATING TO THE NOTES

Variable Rate Notes may have a multiplier or other leverage factor

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

Investments in the Notes may be subject to Singapore taxation

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purpose of the ITA subject to the fulfilment of certain conditions more particularly described in the "Singapore Taxation" section of this Information Memorandum.

However, there is no assurance that the conditions for "qualifying debt securities" will be met or that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time or should the required conditions cease to be fulfilled.

RISKS RELATING TO RENMINBI-DENOMINATED NOTES

*Notes denominated in Renminbi ("**RMB Notes**") may be issued under the Programme. RMB Notes are subject to additional risks, including those discussed below.*

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible. The PRC government continues to regulate conversion between Renminbi and foreign currencies. However, there has been significant reduction in control by the PRC government in recent years, particularly over trade transactions involving import and export of goods and services and other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016 and policies further improving accessibility to Renminbi to settle cross border transactions in foreign currencies were implemented by the People's Bank of China ("**PBOC**") in 2018, there is no assurance (i) that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi, (ii) that the schemes for

Renminbi cross-border utilisation will not be discontinued or (iii) that new regulations in the PRC will not be promulgated with the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there is no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. If funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under the RMB Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service the RMB Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the PBOC has entered into agreements on the clearing of Renminbi business with financial institutions in several financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC remains limited.

There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on RMB internalisation. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer can source such Renminbi on satisfactory terms, if at all.

Investment in the RMB Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made with respect to RMB Notes in Renminbi save as provided in the terms and conditions of the Notes. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes entails foreign exchange related risks, including possible significant changes in the value of RMB relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi

against such currency could cause a decrease in the effective yield of the RMB Notes below their stated coupon rates and could even result in a loss when the return on the RMB Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in RMB Notes.

Investment in the RMB Notes is subject to interest rate risks

The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC laws and regulations and prevailing market conditions.

As the RMB Notes may carry a fixed interest rate, the trading price of the RMB Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the RMB Notes propose to sell their RMB Notes before their maturity, they may receive an offer lower than the amount they have invested.

Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes

All payments in Renminbi to investors in respect of the RMB Notes will be made solely (i) when the RMB Notes are represented by a global security deposited with CDP, by transfer to a Renminbi bank account maintained in Singapore or Hong Kong in accordance with prevailing CDP rules and procedures or (ii) when the RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in Singapore or Hong Kong in accordance with prevailing rules and regulations. If a Noteholder fails to maintain a valid Renminbi account with a bank in Singapore or Hong Kong and, accordingly, payments are unsuccessful, it is possible that such amounts may be settled in Singapore dollars. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

RISKS RELATING TO THE PERPETUAL SECURITIES

Investors have no right to require redemption of Perpetual Securities

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

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

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

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

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

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

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

There are limited remedies for non-payment default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution under the terms and conditions of the Perpetual Securities. Notwithstanding the provisions relating to non-payment defaults, the right to institute winding-up proceedings (as defined in Condition 9(b) of the terms and conditions of the Perpetual Securities) is limited to circumstances where payment under the Perpetual Securities has become due and the Issuer fails to make the payment for five business days after the due date. The only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the terms and conditions of the Perpetual Securities) any Perpetual Securityholder to recover amounts in respect of the Perpetual Securities following a non-payment default will be instituting proceedings for the winding-up of the Issuer and/or proving in such winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

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

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

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

The Subordinated Perpetual Securities are subordinated obligations

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

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

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of Perpetual Securities will be regarded as "debt securities" by the IRAS for the purposes of the ITA and whether the tax exemptions or tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section "Singapore Taxation" of this Information Memorandum) would apply to that tranche of Perpetual Securities.

If IRAS regards the relevant tranche of Perpetual Securities issued by the Issuer to be "debt securities" for Singapore income tax purposes, that relevant tranche of Perpetual Securities are intended to be "qualifying debt securities" for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section "Singapore Taxation". However, there is no assurance that the conditions for "qualifying debt securities" will be met or that the relevant tranche of Perpetual Securities will continue to enjoy the tax concessions for "qualifying debt securities" should the relevant tax laws be amended or revoked at any time, or should the required conditions cease to be fulfilled.

If a relevant tranche of Perpetual Securities issued by the Issuer is not regarded as "debt securities" for Singapore income tax purposes and holders thereof are not eligible for the tax concessions under the "qualifying debt securities" scheme, the tax treatment to Perpetual Securityholders may differ.

If IRAS does not regard a relevant tranche of Perpetual Securities issued by the Issuer as "debt securities" for Singapore income tax purposes, all payments, or part thereof, of Distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts (if applicable) in respect of the Relevant Tranche of Perpetual Securities may be subject to Singapore income tax, and the Issuer may be obliged (in certain circumstances) to withhold tax under Section 45G of the ITA on such payments. In that event, the Issuer will not pay any additional amounts in respect of

any such withholding or deduction from payments in respect of the relevant tranche of Perpetual Securities (including, without limitation, the Distributions, Optional Distributions and Arrears of Distribution and Additional Distribution Amounts (if applicable)) in connection therewith for or on account of any such taxes or duties pursuant to Condition 7 of the terms and conditions of the Perpetual Securities. Perpetual Securityholders are thus advised to consult their own professional advisers regarding the tax treatment of the Distributions, Optional Distributions and Arrears of Distribution and Additional Distribution Amounts (if applicable) under the relevant tranche of Perpetual Securities received by them, including the risk of such payments being subject to Singapore withholding tax.

For further details of the tax treatment of the Perpetual Securities, please see the section on "Singapore Taxation" herein.

A change in the law governing the subordination provisions of the Perpetual Securities may adversely affect the Perpetual Securityholders

The provisions of the Conditions of the Perpetual Securities that relate to subordination are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of issue of the relevant Perpetual Securities.

USE OF PROCEEDS

The net proceeds from the issue of Securities under the Programme (after deducting issue expenses) will be used for financing the general working capital, capital expenditure and investment requirements and refinancing the existing borrowings of the Group, or such other purposes as may be specified in the relevant Pricing Supplement.

SELECTED FINANCIAL CONSOLIDATED INFORMATION AND REVIEW

The following selected consolidated financial information of the Group as at and for the years ended 31 December 2017, 2018 and 2019 has been derived from, and should be read in conjunction with, the Group's audited financial statements and accompanying notes included elsewhere in this Information Memorandum. The consolidated financial information of the Group as at and for the year ended 31 December 2017 has been restated from Financial Reporting Standards in Singapore ("**FRS**") for comparison purposes to reflect the Group's adoption of SFRS(I) on 1 January 2018.

Selected Consolidated Income Statement Information:

	Year ended 31 December		
	2019	**2018**	**2017**
		(in S$'000)	
Revenue	346,954	329,046	317,511
Other income	5,827	43,168	50,928
	352,781	372,214	368,439
Cost and expenses			
Cost of operating supplies	(23,970)	(25,056)	(25,338)
Cost of properties sold	(64,052)	(46,470)	(28,888)
Salaries and related expenses	(83,035)	(89,455)	(101,387)
Administrative expenses	(45,118)	(46,720)	(60,097)
Sales and marketing expenses	(15,897)	(19,779)	(16,208)
Other operating expenses	(60,537)	(63,728)	(60,477)
Impairment (losses)/gains on financial assets	(3,944)	2,127	(1,375)
	(296,553)	(289,081)	(293,770)
Profit before interests, taxes, depreciation and amortisation	56,228	83,133	74,669
Depreciation of property, plant and equipment and right-of-use assets	(22,945)	(20,104)	(22,515)
Amortisation expense	(764)	(2,262)	(2,599)
Profit from operations and other gains	32,519	60,767	49,555
Finance income	7,720	2,769	2,571
Finance costs	(26,762)	(49,091)	(28,181)
Share of results of associates	479	11,403	346
Share of results of joint ventures	–	(879)	(1,632)
Profit before taxation	13,956	24,969	22,659
Income tax expense	(11,427)	(10,576)	(7,802)
Profit after taxation	2,529	14,393	14,857
Attributable to:			
Owners of the Company	651	13,471	12,929
Non-controlling interests	1,878	922	1,928
	2,529	14,393	14,857

Selected Consolidated Statement of Comprehensive Income Information:

	Year ended 31 December		
	2019	**2018**	**2017**
		(in S$'000)	
Profit after taxation	2,529	14,393	14,857
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss			
Realisation of currency translation reserves	–	(4,848)	1,970
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	26,967	2,389	(11,752)
	26,967	(2,459)	(9,782)
Items that will not be reclassified to profit or loss			
Adjustment on property revaluation reserve, net of deferred tax	37,161	–	379
Net fair value loss on equity instruments at fair value through other comprehensive income	(5,301)	(2,069)	–
Actuarial loss arising from defined benefit plan, net of deferred tax	(121)	(363)	(1)
Share of other comprehensive loss of an associate	(8)	–	–
	31,731	(2,432)	378
Other comprehensive income/(expense) for the financial year, net of tax	58,698	(4,891)	(9,404)
Total comprehensive income for the financial year	61,227	9,502	5,453
Total comprehensive income/(expense) attributable to:			
Owners of the Company	49,172	4,186	(724)
Non-controlling interests	12,055	5,316	6,177
	61,227	9,502	5,453

Selected Consolidated Balance Sheet Information:

	As at 31 December		
	2019	2018	2017
		(in S$'000)	
Non-current assets			
Plant, plant and equipment	699,126	599,435	642,013
Right-of-use assets	19,559	–	–
Investment properties	63,504	51,801	70,644
Intangible assets	35,239	33,351	33,208
Land use rights	2,559	2,201	2,445
Associates	161,236	161,079	107,249
Joint ventures	–	–	132,250
Long-term investments	100,697	102,002	14,862
Deferred tax assets	23,369	18,951	16,378
Prepaid island rental	19,020	20,029	20,432
Prepayments	385	292	2,723
Long-term receivables	50,288	43,130	24,058
Other receivables	5,599	1,375	3,489
	1,180,581	1,033,646	1,069,751
Current assets			
Property development costs	318,187	279,977	283,342
Inventories	5,967	6,229	7,634
Prepayment and other non-financial assets	17,855	19,630	13,633
Trade receivables	40,305	38,057	36,442
Other receivables	16,247	18,983	7,646
Contract assets	2,638	1,752	286
Amounts due from associates	4,631	3,070	64,963
Amounts due from joint ventures	–	–	6,291
Amounts due from related parties	26,656	26,276	23,155
Cash and short-term deposits	130,802	206,181	158,988
Assets of disposal group classified as held for sale	–	–	6,936
	563,288	600,155	609,316
Total assets	1,743,869	1,633,801	1,679,067

	As at 31 December		
	2019	2018	2017
		(in S$'000)	
Current liabilities			
Tax payable	10,400	11,700	7,106
Other non-financial liabilities	15,593	13,502	14,063
Interest-bearing loans and borrowings	177,966	90,486	71,371
Notes payable	99,926	124,690	119,270
Trade payables	31,120	24,363	25,311
Other payables	120,401	126,720	45,338
Contract liabilities	55,034	46,767	39,602
Lease Liabilities	1,428	–	–
Amounts due to associates	17,899	17,882	22,489
Amounts due to joint ventures	–	–	61,094
Amounts due to related parties	2,657	2,352	1,261
	532,424	458,462	406,905
Net current assets	30,864	141,693	202,411
Non-current liabilities			
Deferred tax liabilities	136,080	113,445	109,989
Defined and other long-term employee benefits	4,236	3,336	2,820
Deposits received	2,108	2,068	1,976
Other non-financial liabilities	3,696	3,598	3,882
Interest-bearing loans and borrowings	281,660	230,630	150,689
Notes payable	–	99,926	224,616
Other payables	2,810	2,581	654
Lease liabilities	33,442	–	–
	464,032	455,584	494,626
Total liabilities	996,456	914,046	901,531
Net assets	747,413	719,755	777,536
Equity attributable to owners of the Company			
Share capital	241,520	241,520	241,520
Treasury shares	(900)	(1,149)	(142)
Reserves	433,615	405,757	359,248
	674,235	646,128	600,626
Non-controlling interests	73,178	73,627	176,910
Total equity	747,413	719,755	777,536

Selected Consolidated Cash Flow Statement Information:

	Year ended 31 December		
	2019	2018	2017
		(in S$'000)	
Net cash flows generated from/(used in) operating activities	512	18,301	(285)
Net cash flows (used in)/generated from investing activities	(50,725)	62,610	56,574
Net cash flows used in financing activities	(27,227)	(34,327)	(10,217)
Net (decrease)/increase in cash and cash equivalents	(77,440)	46,584	46,072
Net foreign exchange difference	2,061	609	(911)
Cash and cash equivalents at beginning of the financial year	206,181	158,988	113,827
Cash and cash equivalents at end of the financial year	130,802	206,181	158,988

Financial Year ended 2018 versus Financial Year ended 2017

Transactions with Vanke

The Group announced on 10 August 2017 that it has executed and completed the definitive agreement with China Vanke Co., Ltd. ("**Vanke**") to create Banyan Tree Assets (China) Holdings Pte. Ltd. ("**BTAC**"), a 50:50 joint venture incorporated in Singapore between the Group and Vanke, to consolidate ownership of the Group's Banyan Tree-branded hotels and assets in China. BTAC has in turn invested in and holds a 40% stake in each of Banyan Tree's operating companies incorporated in Singapore, namely Banyan Tree Services (China) Pte. Ltd. ("**BTSC**") and Banyan Tree Hotel Management (China) Pte. Ltd. ("**BTMC**").

The Group has since deconsolidated certain entities and recognised the gain on the interest divested. In addition, the Group's retained interest in these entities has been reclassified as investment in joint ventures/associates.

The results of the joint ventures/associates were equity accounted for by the Group from August 2017.

Vanke and the Group have funded and acquired stakes of 93.3% and 6.7% respectively in the Banyan Tree China Hospitality Fund ("**China Fund**"). The China Fund was subsequently injected into BTAC at the end of March 2018. In recognition of the respective contributions from Vanke and the Group for the acquisition of the China Fund, the Group's interest in BTAC has been diluted from 50% to 22.8%. In addition, BTAC has been reclassified from joint venture to associate following the dilution.

The Group announced on 21 November 2018 that it entered into a share purchase agreement to sell 18.6% of shares in BTAC to Vanke. The Group's interest in BTAC was reduced to 4.2%[2] after the sale and BTAC ceased to be an associate of the Group.

Revenue

Revenue increased by S$11.5 million or 4% from S$317.5 million to S$329.0 million for the year ended 31 December 2018, mainly due to higher revenue from the Residences and Extended Stay segment, partially offset by lower revenue from the Hotel Investments and Fee-based segments.

Revenue from the Residences and Extended Stay segment increased by S$25.6 million or 50% from S$51.4 million to S$77.0 million in 2018. The Group recognised 128 units in 2018 as compared to 139 units in 2017. Despite the lower number of units recognised in 2018, the higher value of units recognised resulted in higher revenue as compared to last year. Overall, unrecognised revenue as at 31 December 2018 was S$189.9 million as compared to S$166.2 million a year earlier. Approximately 39% will be recognised in 2019.

The Hotel Investments segment recorded revenue of S$192.5 million in 2018, a decrease of S$9.0 million compared to S$201.5 million in 2017. The decrease in revenue was largely due to the Group's resorts in China, Maldives and Seychelles, partially cushioned by higher revenue from its resorts in Indonesia due to increased room inventory during the year. For Maldives, the revenue decrease was largely due to a decline in arrivals from certain source markets and competition from new resorts. The Group stopped recognising revenue from its China hotels following the Vanke transaction mentioned above, and stopped consolidating results for Seychelles after it disposed of its entire portfolio of assets there in November 2018.

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[2] On 30 December 2019, the Group increased its shareholding in BTAC to 5.2% as a result of an agreement between the Group and Vanke to use the increase in shareholding as an offset against receivables owed.

Revenue from the Fee-based segment decreased by S$5.0 million or 8% from S$64.6 million to S$59.6 million in 2018. This was mostly due to lower revenue from China as the Group has stopped consolidating its China operations but receives licence fees following the execution of the Vanke transactions mentioned above. This was partially cushioned by higher hotel management fees from other markets.

Profit before interests, taxes, depreciation and amortisation ("Operating Profit")

Operating Profit increased by S$8.4 million from S$74.7 million to S$83.1 million for the year ended 31 December 2018. This was largely attributable to higher revenue recognition from the Residences and Extended Stay segment as mentioned above. These were partially offset by a decrease in other income as we recorded a higher gain from the divestment of the Group's China entities in 2017. Operating Profit excluding non-recurring, one-off gains or losses ("**Core Operating Profit**") increased by 17% from S$38.8 million to S$45.4 million. The one-off gains or losses in the financial year 2018 relate to gains recorded from dilution of the Group's interest in BTAC (S$25.2 million) and disposal of assets portfolio in Seychelles (S$12.5 million). One-off gains or losses in financial year 2017 relates to gains recorded from divestment of the Group's entities in 2017 (S$40.4 million), offset by one-off allowance for impairment loss on non-current prepayment, other receivables and intangible assets totalling S$4.5 million.

Balance Sheets as at 31 December 2018 versus 31 December 2017

Property, plant and equipment

Property, plant and equipment decreased by S$42.6 million from S$642.0 million to S$599.4 million as at 31 December 2018 mainly due to disposal of the Group's assets portfolio in Seychelles in November 2018. It was partially cushioned by on-going purchases of furniture, fittings and equipment, resorts renovation and upward foreign exchange adjustments on the opening balances mainly due to the appreciation of Thai baht against Singapore dollar.

Investment properties

Investment properties decreased by S$18.8 million from S$70.6 million to S$51.8 million as at 31 December 2018. The decrease was mainly due to disposal of the Group's assets portfolio in Seychelles in November 2018.

Associates

The investment in associates increased by S$53.9 million from S$107.2 million to S$161.1 million as at 31 December 2018 mainly due to reclassification of long-term receivables relating to BTSC and BTMC from "Amount due from associates".

Joint ventures

Joint ventures decreased by S$132.3 million mainly due to disposal of interest in BTAC from 50% to 4.2%[3] and the reclassification to long-term investment and long-term receivables.

Long-term investments

Long-term investments increased by S$87.1 million mainly due to investment in BTAC reclassified from "Joint ventures" as mentioned above.

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[3] On 30 December 2019, the Group increased its shareholding in BTAC to 5.2% as a result of an agreement between the Group and Vanke to use the increase in shareholding as an offset against receivables owed.

Long-term receivables

Long-term receivables increased by S$19.0 million from S$24.1 million to S$43.1 million. This was mainly due to increase in receivables from property sales based on instalment payment plan and long term portion of amounts due from BTAC reclassified from "Joint ventures".

Other receivables

Other receivables increased by S$11.4 million from S$7.6 million to S$19.0 million. This was mainly due to reclassification from "Assets/Liabilities of disposal group classified as held for sale" following disposal of interest in BTAC as mentioned above.

Contract assets

Contract assets relates to excess of revenue recognised over contract billings in relation to architectural design and project services. Contract assets increased in current year mainly due to higher recognition of fees from architectural design and project services based on percentage completion but billing milestones had not been reached.

Amount due from/(to) associates

Net amount due from/(to) associates decreased by S$57.3 million mainly due to reclassification of long term portion of amount due from associates to "Associates" and fair value adjustment of imputed interest on receivables from associates. Included in "Amount due to associates" were unsecured and interest free loan of S$17.8 million which can be offset against investments in redeemable convertible preference shares ("**RCPS**") reflected in "Associates".

Amount due from/(to) joint ventures

Net movement on amount due from/(to) joint ventures was mainly due to reclassification following disposal of interest in BTAC as mentioned above.

Assets/Liabilities of disposal group classified as held for sale

Assets of disposal group classified as held for sale decreased by S$6.9 million to Nil as at 31 December 2018. This was mainly due to reclassification to "Other receivables" following the sales to BTAC and subsequent disposal of interest in BTAC as explained above.

Current and non-current interest-bearing loans and borrowings

Current and non-current interest-bearing loans and borrowings increased by S$99.0 million from S$222.1 million to S$321.1 million mainly due to drawdown of loan for acquiring additional shares in LRH, partially offset by loan repayments during the period.

Current and non-current notes payable

Current and non-current note payables decreased by S$119.3 million from S$343.9 million to S$224.6 million as at 31 December 2018 mainly due to repayment of $120 million medium term notes upon maturity in July and November 2018.

Other payables (current)

Other payables increased by $81.4 million from S$45.3 million to S$126.7 million as at 31 December 2018 mainly due to reclassification from "Amount due to joint ventures" following disposal of interest in BTAC as mentioned above. Of the total Other payables, S$60.3 million was unsecured and interest free and can be offset against RCPS reflected in "Long-term investments".

Contract liabilities

Contract liabilities mainly relates to non-refundable deposits received from property sales buyers. Contract liabilities increased by S$7.2 million from S$39.6 million to S$46.8 million as at 31 December 2018 mainly due to deposits collected from property sales buyers during the current year.

Financial Year ended 2019 versus Financial Year ended 2018

Revenue

Revenue increased by S$18.0 million or 5% from S$329.0 million to S$347.0 million for the year ended 31 December 2019, mainly due to higher revenue from the Residences and Extended Stay segment, partially offset by lower revenue from the Hotel Investments and Fee-based segments.

Revenue from the Residences and Extended Stay segment increased by S$37.2 million or 48% from S$77.0 million to S$114.2 million in 2019. We recognised 226 units in 2019 as compared to 128 units in 2018. Overall, unrecognised revenue as at 31 December 2019 was S$178.2 million as compared to S$189.9 million a year earlier. Approximately 55% will be recognised in 2020.

The Hotel Investments segment recorded revenue of S$173.7 million in 2019, a decrease of S$18.8 million compared to S$192.5 million in 2018. The decrease in revenue was largely due to the Group's resorts in Seychelles and Thailand, partially cushioned by higher revenue from the Group's resorts in Maldives and Indonesia. The Group stopped consolidating results for Seychelles after the Group disposed of their entire portfolio of assets there in November 2018. For Thailand, the revenue decreased mainly due to under performance from Banyan Tree Phuket due to renovation.

Revenue from the Fee-based segment decreased by S$0.6 million or 1% from S$59.6 million to S$59.0 million in 2019 mainly due to lower revenue from Spa/Gallery Operations.

Profit before interests, taxes, depreciation and amortisation ("Operating Profit")

Operating Profit decreased by S$26.9 million from S$83.1 million to S$56.2 million for the year ended 31 December 2019. This was largely attributable to lower other income and Operating Profit from Hotel Investments segment. This was partially cushioned by higher Operating Profit from Residences and Extended Stay and Fee-based segments. Operating Profit excluding non-recurring, one-off gains or losses ("**Core Operating Profit**") increased by 43% from S$45.4 million to S$65.1 million. The one-off gains or losses in financial year 2019 relates to one-off allowance for impairment loss in the Group's hotel in Morocco (S$5.3 million) and trade receivables (S$3.6 million). The one-off gains or losses in financial year 2018 relate to gains from dilution of the Group's interest in BTAC (S$25.2 million) and disposal of assets portfolio in Seychelles (S$12.5 million).

Balance Sheets as at 31 December 2019 versus 31 December 2018

Property, plant and equipment

Property, plant and equipment increased by S$99.7 million to S$699.1 million as at 31 December 2019. The increase was mainly due to on-going purchases of furniture, fittings and equipment, resorts renovation and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht and Indonesian rupiah against Singapore dollar. It was partially offset by allowance for impairment loss for the Group's hotel in Morocco and depreciation charged during the period.

Right-of-use assets/lease liabilities

The Group had adopted SFRS(I) 16 Leases for the first time and as a result, it had recognised right-of-use assets and lease liabilities relating to present value of future operating lease payments for the duration of the operating leases.

Investment properties

Investment properties increased by S$11.7 million from S$51.8 million to S$63.5 million as at 31 December 2019. The increase was mainly due to fair value gain on investment properties in Thailand and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht against Singapore dollar.

Long-term receivables

Long-term receivables increased by S$7.2 million from S$43.1 million to S$50.3 million as at 31 December 2019. This was mainly due to increase in receivables from property sales based on instalment payment plan.

Property development costs

Property development costs increased by S$38.2 million to S$318.2 million as at 31 December 2019. This was mainly due to progressive development costs incurred on projects in Thailand and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht against Singapore dollar. It was partially offset by transfers to cost of properties sold following property sales recognition during the period.

Current and non-current interest-bearing loans and borrowings

Current and non-current interest-bearing loans and borrowings increased by S$138.5 million to S$459.6 million mainly due to loans drawdown and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht against Singapore dollar but partially offset by repayments during the period.

Current and non-current notes payable

Current and non-current note payables decreased by S$124.7 million from S$224.6 million to S$99.9 million as at 31 Dec 2019 mainly due to repayment of $125.0 million medium term notes upon maturity in June 2019.

Contract liabilities

Contract liabilities increased by S$8.2 million to S$55.0 million as at 31 December 2019 mainly due to deposits received from property sales buyers.

Deferred tax liabilities

Deferred tax liabilities increased by S$22.6 million to S$136.1 million as at 31 December 2019 mainly due to revaluation gains on investment properties and upward foreign exchange adjustments on opening balances due to appreciation of Thai baht against Singapore dollar.

BUSINESS

OVERVIEW

The Group is a leading international operator and developer of premium resorts, hotels, spas and residences and boasts an industry track record dating from 1994. It also manages and/or has ownership interests in niche resorts and hotels. These resorts and hotels are located in 14 countries, namely China, Cuba, India, Indonesia, Laos, Malaysia, Maldives, Mauritius, Mexico, Morocco, Seychelles, South Korea, Thailand, and Vietnam with an aggregate number of 6,714 rooms available for use by guests as at 31 December 2019. Please refer to "– Resorts and Hotels" for a brief description of each of these hotels and resorts. The Group's resorts typically command room rates at the high end of each property's particular market. The Group offers its customers a multi-faceted travel and leisure experience which it delivers through its 47 resorts and hotels, 64 spas, 72 galleries (where its Banyan Tree and Angsana branded products are sold) and 3 golf courses as at 31 December 2019.

The Group generates revenue from three core business segments: Hotel Investments segment, Residences and Extended Stay[4] segment and Fee-based segment. Under the Hotel Investments segment, the Group owns and manages hotels under its two award-winning brands, Banyan Tree and Angsana, and the more recently established brands Cassia and Dhawa. For the year ended 31 December 2019, Thailand and Indian Ocean contributed 75% and 22% to the revenue for Hotel Investments segment respectively. As at 31 December 2019, the Group holds equity interests in 19 hotels which have over 2,000 keys. The Residences and Extended Stay segment comprises sales of Hotel Residences, Laguna Residences and Extended Stay and Development Projects/ Sites. The Fee-based segment comprises hotel management, club management and fund management, spa and gallery operations and design and other services. As at 31 December 2019, the Group manages 28 resorts and hotels, of which 25 are under the Banyan Tree and Angsana brands.

The Group also operates a leading integrated resort in Laguna Phuket, Thailand and a city hotel, Banyan Tree Bangkok, Thailand through its subsidiary, LRH. Within Laguna Phuket, as at 31 December 2019, the Group manages 5 resorts, 4 spas, 6 galleries, an 18-hole golf course and resort residence developments available for sale. Due to its positioning as an integrated resort, Laguna Phuket is marketed as a travel destination within Phuket. Primarily as a result of the Group's ownership interest in LRH, Hotel Investments is the Group's largest business segment. Hotel Investments accounted for 63.5%, 58.5% and 50.1% of the Group's revenue for the three years ended 31 December 2017, 2018 and 2019, respectively. As at 31 December 2019, the Group managed and/or had ownership interests in 5 resorts at Laguna Phuket with 1,062 rooms and Banyan Tree Bangkok with 327 rooms. Two other integrated resorts, Laguna Bintan in Indonesia and Laguna Lâng Cô in Central Vietnam, reinforce the status of the Group as one of the leading operators of integrated resorts in Asia.

Through the Banyan Tree brand and its sister brand, Angsana, the Group targets two distinct customer segments, allowing it to have a wider customer base. In June 2014, the Group also launched the third brand, Cassia. Cassia brought together investment opportunities for the growing middle class looking for affordable holiday homes and the opportunity to develop an innovative hotel product in the serviced apartment segment. In October 2015, the Group launched its fourth brand, Dhawa, which is a casual and contemporary full-service hotel targeting middle class design-savvy travellers who seek distinctive experiences in stylish and unique destinations.

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[4] Residences and Extended Stay covers property sales.

The Group has pioneered concepts that have become signature features for many of its hotels and resorts such as the tropical garden spa and pool villa. As one of the leading operators of spas in Asia Pacific, the Group operates spas that its guests often consider as one of the signature features of its resorts and hotels. The Group also operates the Banyan Tree Spa Academy, where spa therapists receive theoretical and practical training. The Banyan Tree Spa Academy is accredited by Thailand's Ministry of Education and Ministry of Public Health. It was named the Best Quality School in 2017 by The Private Education Commission of Thailand's Ministry of Education, recognising the Group's stringent training methodology and the Banyan Tree Spa Academy's status as an institution for developing therapists and raising the bar for the spa industry. The Banyan Tree Spa won 43 awards in 2019, bringing the total of awards won to 686 as of 31 December 2019. The Group has one additional training facility in Bintan, which was set up in 2003 to meet expansion needs. The Banyan Tree Gallery, which is owned by the Group, complements its resorts, hotels and spas, and provides the platform for artisans' heritage and crafts. The Banyan Tree Gallery has also extended its product lines with the launch of its reformulated bath and body and aromatherapy collections, and has also expanded its distribution channels to extend the reach and scope of its brands.

The Group's integrated business model comprises a hotel management division, an in-house design and project management division, and a global marketing team. These in-house capabilities enable the Group to preserve brand integrity, create innovative product offerings with quicker time to market and maintain the quality of the resorts, hotels, spas and galleries it manages and the services it offers. The Group believes these capabilities, the geographic diversity of its customer markets and its product offerings increase the resilience of its business model. The Group's revenues for the three years ended 31 December 2017, 2018 and 2019 were S$317.5 million, S$329.0 million and S$347.0 million, respectively. Average occupancy levels for its resorts and hotels for the three years ended 31 December 2017, 2018 and 2019 were approximately 63%, 62% and 58%, respectively. Average room rates for the three years ended 31 December 2017, 2018 and 2019 were S$343, S$330 and S$329, respectively. Revenue per available room ("**RevPAR**") for the years ended 31 December 2017, 2018 and 2019 was S$217, S$203 and S$193, respectively.

COMPETITIVE STRENGTHS

The Group believes that the following competitive strengths have been instrumental to its success and positions it for future growth:

Leading international operator and developer of premium resorts, hotels and spas, diversified across geographies and pricing segments

Geographical Segment

The Group is a leading international operator and developer of premium resorts, hotels and spas, with 47 resorts and hotels, 64 spas, 72 galleries and 3 golf courses that it manages and/or has ownership interests as at 31 December 2019. The Group has grown its business geographically by entering into management agreements in locations ranging from Europe to Mexico, the Middle East, China, India, Malaysia and Cuba. By 2023, the Group expects to own and/or manage an additional 9,075 rooms in 46 new hotels and 2 hotel expansions spread across 17 countries in 5 continents. These will include Angsana Corfu, which is located in the countryside of Benitses, Corfu Island, Greece and which will also be the Group's first resort (which the Group will manage under a management agreement without equity interest) in Europe. In addition, in respect of resorts and hotels, the Group expects to make its debut in Singapore in 2023, following Mandai Park Holdings' appointment of the Group as the operator of an eco-friendly resort to be located within the new integrated nature and wildlife destination at Mandai.

The Group's complementary product offerings, ranging from resorts, hotels, property sales, spas, galleries to golf courses, enable it to offer a multi-faceted travel and leisure experience and give rise to cross-selling opportunities. Alongside Laguna Phuket, two other integrated resorts, Laguna Bintan in Indonesia and Laguna Lâng Cô in Central Vietnam, reinforce the status of the Group as one of the leading operators of integrated resorts in Asia.

In addition, the Group believes that its partnerships with AccorHotels and Vanke will further propel the Group's geographical expansion into Europe, the Middle East, Africa, the Americas and China markets. AccorHotels' experienced business development team will complement the Group's strong luxury branding by attracting more high-end hotel owners to sign management agreements, whilst still allowing the Group to be in control and maintain Banyan Tree's signature standards of excellence as it continues to be independent in signing its own management agreements as well as managing and developing its own brands. The tie-up with AccorHotels also offers the Group lower commission rates on online booking systems, which will allow the Group to compete more effectively. The partnership with Vanke offers benefits that are specific to China, which is a significant market for the Group, not only as a destination but also as a source of guests for the Group's properties in other locations. Through this partnership, the joint venture company, BTAC, will encourage more Banyan Tree-branded property owners to engage the Group to manage their hotels in China, by providing an avenue for them to exit their investments and inject them into BTAC. In addition, BTAC will serve as a platform for developing and managing senior-living and active-ageing communities, an area which the Group and Vanke view as promising, given China's large and ageing population.

Pricing Segment

The resilience of the business model of the Group is also sustained by its differentiated brands: Banyan Tree, Angsana, Cassia and Dhawa. Each brand and product line targets distinct market segments and needs and consequently expands the Group's overall customer base while still enabling synergies of cross marketing. Cassia and Dhawa, which are positioned in the upper midscale segment, will be particularly helpful in targeting the expanding middle class demographic globally. The diversification across pricing categories will also offer resilience to changes in economic cycles that could result in different spending patterns of customers.

The Group's strong brand recognition allows it to command prices at the higher end of the market for the resorts, hotels and spas that it manages. In the financial year ended 31 December 2019, the Group's average room rate was US$450 per night and US$195 per night for Banyan Tree and Angsana, respectively.

Award-winning and differentiated brands driving growth strategy

The Group believes it has a leading position in the hospitality and leisure industry, demonstrated by the fact that the resorts, hotels and spas that it manages have won more than 2,600 awards and accolades since the first Banyan Tree resort, Banyan Tree Phuket, was launched in 1994. The two key brands that the Group owns, Banyan Tree and Angsana, have received many awards and accolades.

The Banyan Tree brand was named as "*Best Hotel Brand*" at the Voyage Travel Awards in 2019, "*Top 20 Hotel Brands in the World 16th*" at the 2018 Travel + Leisure US World's Best Awards, "*Best Hotel Brand for Leisure 2nd*" at the 13th DestinAsian Readers' Choice Awards and "*The Most Popular Hotel Brand*" at the 2017 Golden Pillow Award. The strength of its brands also facilitates the Group's expansion of its product offerings. Its differentiated brands strategy allows it to target distinct customer market segments and drive growth in its hotel investments and hotel management business segments while avoiding brand dilution and cannibalisation. Additionally, it enables the Group to take advantage of multi-brand contracts.

The Group believes that the strength of the Banyan Tree and Angsana brands also improves the Group's negotiating position with potential business associates. Through its brand name, the Group is also able to tap into alternative sources of funding for its expansion. For example, the Group has successfully launched and raised US$283 million and RMB1 billion through private equity funds – Banyan Tree Indochina Hospitality Fund in 2009 and Banyan Tree China Hospitality Fund in 2010, respectively. In addition, the strength of the Banyan Tree and Angsana brands has also enabled the Group to form mutually beneficial and strategic alliances with AccorHotels, one of the largest hotel groups in the world, and Vanke, one of China's largest real estate developers.

Established resort and luxury accommodation property development business with large land bank

Laguna Phuket, an integrated resort in Phuket, Thailand, has a leading presence in one of the top resort destinations in Asia. Laguna Phuket also attracts overseas investors to purchase residences as their secondary homes within Laguna Phuket. In the three years ended 31 December 2019, property sales accounted for approximately 24% of the Group's overall revenue and of this, approximately 92% of such sales came from Thailand. Given the Group's strong sales track record in Phuket, the Group intends to unlock the value of its 1.24 million square metres of land in Laguna Phuket. In April 2018, the Group also increased its shareholding in LRH from 65.75% as at 31 December 2017 to 86.28% through a voluntary tender offer. This will enable the Group to partake in the higher economic benefits from LRH through increased potential property development and sales. Further, the Group has unrecognised revenue from Residences and Extended Stay segment of S$166.2 million, S$189.9 million and S$178.2 million for the three years ended 31 December 2017, 2018 and 2019, respectively.

Integrated business model that enhances resilience

The Group also believes that its strength as a manager and developer is principally derived from its integrated business model, including an in-house design and project management division as well as a global marketing team. The Group's integrated capabilities enable it to preserve brand integrity, create innovative product offerings with quicker speed to the market, preserve its premium positioning in the niche markets in which it operates and the quality of its resorts, hotels, spas, galleries and the services it offers. This also enables the Group to manage costs effectively.

In relation to design, the Group has pioneered concepts that have become signature features for many of its resorts and hotels, such as the tropical garden spa and the pool villa. In relation to marketing, when events affect one or more of the markets in which the Group operates, it utilises multiple sales channels through its global marketing approach to target unaffected and/or less affected customer markets. For example, following the 2004 tsunami and the 2015 Russian economic crisis, the Group was able to mitigate its losses and speed up recovery by redirecting marketing efforts to unaffected customer markets/locations.

With this integrated business model that enhances resilience, the Group believes that it was able to reduce the adverse impact of external events such as the 2015 Russian economic crisis, Brexit and the Zika epidemic, as its resorts, hotels, spas and property sites are located across different countries and have a geographically diverse customer base.

Deleveraging financial position and ability to recycle capital

Reducing gearing is an important part of strengthening the Group financially. The Group has reduced net gearing ratio (net debt divided by equity) by 12 percentage points, from 69% in 2016 to 57% by the end of 2019. This is mainly attributable to the conversion of the debentures issued to AccorHotels into a 5% equity interest in the Group in December 2017, as well as the acquisition by Vanke of a 5% equity interest in the Group.

Vanke subsequently exercised the option to purchase additional shares in BTAC in November 2018, further reducing the Group's shareholding in BTAC to 4.2%, for a consideration of S$78.6 million. On 30 December 2019, the Group increased its shareholding in BTAC to 5.2% as a result of an agreement between the Group and Vanke to use the increase in shareholding as an offset against receivables owed. Through the unlocking of all these assets in China, the Group has been and will continue to be able to deploy its resources to markets outside of China. In November 2018, the Group also sold its entire portfolio of assets in Seychelles for a profit of S$12.5 million, but continues to manage Banyan Tree Seychelles under a hotel management agreement. This assisted the Group in retaining the hotel's contribution to the Group's income stream.

The consideration received from rebalancing the Group's asset portfolio in China has also boosted the Group's overall cash flow. (For more information, see the strategy titled "Asset portfolio rebalancing to unlock the value of the Group's mature assets to create greater value from other markets".) This gives the Group the financial flexibility to pursue business and/or acquisition opportunities as and when they arise.

Proven and experienced management team

The Group boasts an experienced and qualified management team with a successful track record in managing its businesses. Most of the core members of the Group's senior management team have been instrumental in its development since the inception of the Banyan Tree brand in 1992. The team has successfully grown its business through brand-building initiatives, strategic alliances and effective crisis management through difficult operating conditions experienced in the industry over the last few years.

The Group is led by its founder and Executive Chairman, Mr Ho KwonPing, who has more than 20 years of experience in the hospitality and leisure industry. Mr Ho has won several awards including the "*Distinguished Service Award (Darjah Utama Bakti Cemerlang)*" from the National Day Awards 2017 and the "*APacCHRIE Lifetime Achievement Award*" in 2017 from the Asia-Pacific Council on Hotel, Restaurant, and Institutional Education ("**APacChRIE**"). Mr Ho is supported by an experienced management team. The Group believes its senior management team possesses the appropriate mix of multi-disciplinary skills and experience, particularly in areas of product innovation, branding, resort and hotel design and construction, as well as hotel operations. Mr Ho is also assisted by an experienced board who is committed to maintaining high standards of corporate governance and sound corporate practices to promote accountability and transparency. The Group has been awarded "*Most Transparent Company Award – Runner-up*" in 2016 under the Mainboard Small Caps category by SIAS Investors' Choice Awards, "*Singapore Corporate Governance Award*" in 2017 under the Mid-Cap category by the Securities Investors Association Singapore ("**SIAS**") 18th Investors' Choice Awards, and conferred with the "*Best Annual Report – Gold*" in 2018 under the Mid-Cap category by the Singapore Corporate Awards. In addition, at the Singapore Corporate Awards 2019, the Group was awarded the "*Best Managed Board*" under the Mid-Cap category.

A robust talent development programme managed internally by the Banyan Tree Management Academy headquartered in Phuket ensures a high retention rate within the Group and allows it to attract and develop human capital within an increasingly competitive service industry. As at 31 December 2019, up to 4% of the Group's payroll is set aside for a mandatory training fund and all full-time associates are required to accumulate an average of 5 hours of training per month.

STRATEGY

The Group's principal strategic objective is to build upon the Banyan Tree, Angsana, Cassia and Dhawa brands, to create a diversified group of niche resorts, hotels and serviced apartments in strategic locations throughout the world. Complemented by its resort/hotel residences, property sales, and spa and gallery operations, the Group seeks to achieve strong profitability and operating margins as well as maintain its strong balance sheet position through the following strategies:

Focus on growing its business through fee-based operations

The Group intends to grow its business by maximising the number of resorts and hotels that it manages through its own pipeline of projects as well as through synergies with its partners, AccorHotels and Vanke. The Group believes that AccorHotels' business development expertise and established presence in Europe, Africa, the Middle East and the Americas will facilitate the Group's global expansion strategy. Meanwhile, the partnership with Vanke, one of China's largest real estate developers, will give the Group access to a sizeable database of prospective customers for its hotels, spas and property sales. The Group believes that this strategy will enhance its management fee income, increase awareness of its brands at a faster pace and expand its revenue base without incurring significant incremental capital expenditure.

As at 31 December 2019, the Group plans to open 46 new resorts and hotels by the end of 2023, all of which it will manage but will not have any ownership interest in. This enables swift growth without the requirement for heavy capital expenditure. The Group believes that its strong operating track record in managing resorts and hotels, the strength of its brands, in-house design and innovation and its global sales, marketing and distribution networks help attract owners of resorts and hotels. The Group expects to increase its revenues from spa operations by expanding into new locations through leases, management agreements and strategic alliances, as well as evolving its spa and gallery offerings to broaden into products and services that are part of the fast growing well-being and self-care industry. As at 31 December 2019, the Group has a pipeline of about 33 new spas and 28 galleries, which are scheduled to open by the end of 2023. In addition, the Group has further diversified its fee-based income through new product offerings such as the Banyan Tree Private Collection, which was set up in 2007 to derive club management fees, and also through its partnerships with AccorHotels and Vanke.

Increase its property sales income from developing the Group's land bank (held via LRH) in Phuket

The Group's strategy is still to unlock value from its land banks by actively rolling out new projects to the market to meet ongoing demand. The Group has a 1.24 million square metres parcel of land in Phuket, Thailand, which it intends to develop to grow its property sales income in Phuket. The Group has a proven track record of property sales in Phuket, with innovative product offerings appealing to diverse market segments at various price points. In the three years ended 31 December 2019, property sales have accounted for approximately 24% of the Group's overall revenue. Of this, approximately 92% stemmed from Laguna Phuket, Thailand. Property sales in Laguna Phuket have also increased steadily (in terms of number of units sold) in the last three years: sales with deposits received was 195 units (S$137.8 million), 211 units (S$125.6 million) and 337 units (S$115.9 million) in the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019, respectively. In April 2018, the Group also increased its shareholding in LRH from 65.75% (as at 31 December 2017) to 86.28% through a voluntary tender offer. This will enable the Group to partake in higher economic benefits from LRH.

Strengthen and leverage brand equity across diversified portfolio offerings

The Group intends to continue to capitalise on the strong recognition of its award-winning brand, Banyan Tree, to capture the premium segment of different market segments. It has done so successfully with its second brand, Angsana, by extending the brand equity of quality, design, service excellence and a foundation of sustainability in destinations of choice. The success of residence sales in its hotel-residence model of Cassia shows that consumer's trust in the parent group brand is strong. Currently, the Group is managing two Dhawa hotels and with another 11 Dhawa hotels in the pipeline.

The Group's brand strategy is an endorsed brand approach, with its distinct sub-brands catering to different need states with common value associations lent by the parent group brand.

Banyan Tree offers premium retreat experiences primarily for couples and mature families, with a strong focus on nature and well-being. As at the Latest Practicable Date, best available rates for Banyan Tree resorts and hotels typically start from US$450 per room per night. Angsana offers a vibrant and creative ambience and targets families, friends as well as meetings, incentives, conventions and exhibitions (MICE) markets. As at the Latest Practicable Date, best available rates for Angsana resorts and hotels typically start from US$200 per room per night. The Cassia brand, launched in 2014, is an innovative "apartment living" product in the extended stay segment that targets those looking for affordable holiday homes and/or a vacation experience that prioritises convenience and conviviality. Dhawa, the Group's fourth brand that was launched in 2015, is a design-oriented full-service hotel that targets travellers who seek original experiences in unique, emerging destinations. With this multi-brand approach, the Group believes that it will be able to cross-sell its various stay experiences and product offerings, by allowing guests to choose based on their travel habits and preferences. For more information, see the strategy titled "Capitalising on growing middle class".

Leverage and upgrade key competencies for growth

The Group's key competencies are in design, brand management, talent development, top line optimisation, and customer insights. In the area of design, the continuous leveraging on its in-house design and project management team coupled with working alongside local design partners to innovate residential and hotel products and services have been key to its success as well as a key competitive edge in winning management and design consultancy contracts.

With respect to brand management, the Group is strengthening its internal brand building and audit functions to ensure consistent execution of its multi-brand approach. In the important area of talent, the Group is prioritising succession planning and high-potential management as well as strengthening service culture to meet its aggressive growth pipeline. To strengthen its top line optimisation competency, the Group is rolling out advanced revenue management processes with an emphasis on dynamic pricing and ancillary revenue streams. Lastly, in the area of customer centricity and insights in a digital age, the Group is focused on developing meaningful online and offline data analytics workstreams that enable it to deliver the intuitive and personalised service experience it is known for.

The Group has been placing emphasis on its content marketing strategy, content creativity production and media delivery, which have all successfully generated incremental room revenue. Organic traffic driven by search engine optimisation is also growing from strength to strength, generating further direct room bookings. The Group will continue to pursue its strategy and its "Test & Learn" approach to grow direct bookings with the goal of building a content eco-system throughout the consumer journey and elevate brand awareness, interest, value, preference and conversion at optimal cost efficiency.

Rebalance asset portfolio to unlock the value of the Group's mature assets to create greater value from other markets

The Group rebalanced its asset portfolio since 2017 to unlock the value of its mature assets. This has and will continue to enable the Group to deploy capital to other markets to create greater value. For example, in 2017, the Group unlocked the value of its assets in China by injecting them into BTAC, the Group's joint venture with Vanke. This, together with Vanke's investment in the Group's entities operating in China, has resulted in a healthy gain of S$40.4 million for the Group in 2017. In March 2018, the Group, together with Vanke have funded and acquired Banyan Tree China Hospitality Fund, in their respective shareholding of 6.7% and 93.3%. Banyan Tree China Hospitality Fund was subsequently injected into BTAC and the Group's shareholding in BTAC was thereafter further diluted from 50% to 22.8%, resulting in a dilution gain of S$16.1 million in the three months ended 31 March 2018. Vanke subsequently exercised the option to purchase additional shares in BTAC in November 2018, further reducing the Group's shareholding in BTAC to 4.2%, for consideration of S$78.6 million. On 30 December 2019, the Group increased its shareholding in BTAC to 5.2% as a result of an agreement between the Group and Vanke to use the increase in shareholding as an offset against receivables owed. Through the unlocking of all these assets in China, the Group has been and will continue to be able to deploy its resources to markets outside of China. In April 2018, the Group increased its shareholding in LRH from 65.75% to 86.28% through a voluntary tender offer. This will enable the Group to partake in higher economic benefits from LRH. In November 2018, the Group also sold its entire portfolio of assets in Seychelles for a profit of S$12.5 million, but continues to manage Banyan Tree Seychelles under a hotel management agreement. This assisted the Group in retaining the hotel's contribution to the Group's income stream.

Plan for China

While China has historically been one of the Group's largest markets, the Group has notably divested its assets in China to BTAC. The Group's primary income from China is derived from the hotel management fees earned through its 40% shareholding of the hotel management entity that is a joint venture with Vanke. This has resulted in the increase in management fees in China, which accounted for an average of 2% of the Group's Revenue for the three years from 2017 to 2019.

As at 31 December 2019, of the Group's 46 new hotel projects in the pipeline, about 54% of such projects are in China. The Group also believes that its partnership with Vanke will encourage owners to engage the Group to manage their properties and provide impetus for the Group to expand into China's tier-one cities, which will in turn allow the Group to further capitalise on opportunities that are opening up in China. In addition, the number of spas that the Group operates in China is also expected to increase from 23 as at 31 December 2019 to 36 by 2023. Further, in terms of outbound China customers to the Group's owned resorts, Chinese customers (basically customers who have China as their country of residence) account for an average of about 23% of the Group's owned hotels' room revenue over the period of three years from 2017 to 2019.

In addition to hospitality, Chinese buyers for the Group's properties in Laguna Phuket have also increased, contributing an average of 24% of the total sales of the Group's property in Laguna Phuket in the financial years ended 31 December 2017, 2018 and 2019, respectively. The partnership with Vanke will also provide the Group with access to prospective customers from Vanke's sizeable property sales database.

Fund developments through private equity and strategic partnerships with like-minded business partners

The Group believes that sustainability includes the ability to raise development funding for its expansion. Apart from traditional fund raising through debt, the Group will continue to look into setting up other region-specific funds for future funding requirements. The Group does this through its subsidiary, Banyan Tree Capital. The Group believes that the success of both the Banyan Tree Indochina Hospitality Fund, which raised US$283 million despite the financial crisis, and the Banyan Tree China Hospitality Fund which raised RMB1 billion from wealthy domestic investors in China have enabled the Group to tap on alternative sources of funding for expansion in strategic locations around the world. In addition, following the Group's strategic partnerships with AccorHotels and Vanke, both companies have acquired a 5% stake in the Group, thereby generating further cash flow for the Group.

Invest in branded primary homes

The Group will continue to pursue its growth strategy of adding more depth to its current Residences and Extended Stay segment where properties are currently sold as luxury holiday or secondary homes. This will be done by capitalising on the Banyan Tree brand and building branded residential primary or owner-occupied homes. The Group is targeting discerning buyers looking to buy properties for use as their primary homes and who appreciate the Banyan Tree design and quality.

Capitalise on growing middle class

The Group intends to continue capitalising on the growing middle class across the Asia region who are looking to buy properties for use as their secondary homes and who appreciate the Banyan Tree design and quality. The Group's third brand, Cassia, was launched in June 2014 with this aim in mind. Products sold under the Cassia brand comprise largely of one- and two-bedroom units targeted at the growing affluent middle class around the world looking for affordable secondary homes. Cassia residences are professionally managed by the Group and are positioned as mid-scale accommodation in the serviced apartment segment. The Group's customer diversification process has paid off given that revenue recognised from the Group's hotel residences in 2019 was largely from apartments in Cassia Bintan and Cassia Phuket. The Group believes that with the rising class of younger, middle class Asians with higher disposable income, this category of property sale products will continue to be well received. In 2015, the Group also launched a fourth brand, Dhawa, which operates full-service hotels that target middle class savvy travellers who seek distinctive experiences in stylish, unique destinations. With the Group's partnership with Vanke, the Group believes that it will also be able to tap on Vanke's strong reputation and expertise to accelerate the development of its mid-range brands in China.

MILESTONES

The Issuer was incorporated in Singapore on 11 April 2000. Its shares were listed on the Main Board of the SGX-ST on 14 June 2006.

The following list summarises significant events in the Issuer's corporate history.

1984	LRH, a future subsidiary of the Issuer, acquires over 550 acres of land on the site of an abandoned tin mine at Bang Tao Bay, Phuket, Thailand.
1987-1992	After extensive rehabilitation of the Phuket site, LRH launches Dusit Laguna Resort Hotel and Laguna Beach Resort, which are marketed as resort destinations within Phuket.

1993	LRH lists its shares on the Stock Exchange of Thailand. Banyan Tree Hotels & Resorts Pte. Ltd., a resort and hotel management company, is established, as well as companies to operate spas and galleries. Sheraton Grande Laguna Phuket and The Allamanda are launched. LRH sells units at The Allamanda.
1994	The Group's flagship resort – Banyan Tree Phuket – is launched in Laguna Phuket, Thailand. The resort includes the first Banyan Tree Spa and Banyan Tree Gallery.
1995-1999	Banyan Tree Vabbinfaru, Maldives and Banyan Tree Bintan, Indonesia are launched.
2000	Angsana brand is launched with the opening of Angsana Bintan, Indonesia and Angsana Great Barrier Reef, Australia. Banyan Tree Holdings Pte. Ltd. is established. Banyan Tree Hotels & Resorts Pte. Ltd. and several subsidiaries which own and operate resorts, spas, galleries and golf courses, become part of the Group.
2001	The Banyan Tree Spa Academy is set up to train therapists and research new treatment recipes and techniques. Angsana Ihuru, Maldives and Angsana Bangalore, India open. The Green Imperative Fund is launched to formalise the Group's corporate social responsibility efforts.
2002	Banyan Tree Seychelles is launched, and the Westin Banyan Tree is rebranded as Banyan Tree Bangkok, Thailand.
2003-2004	Gyalthang Dzong Hotel in Shangri-la, Yunnan, China and Deer Park Hotel, Sri Lanka are launched.
2005	Maison Souvannaphoum Hotel opens in Laos. The Group's first Banyan Tree resort in China – Banyan Tree Ringha is launched in Shangri-la, Yunnan. The Group acquires Thai Wah Plaza, which houses Banyan Tree Bangkok in Thailand.
2006	Following its initial public offering, the Issuer is listed on the Main Board of the SGX-ST. Banyan Tree Lijiang, China and Angsana Velavaru, Maldives are launched. The Group introduces the Banyan Tree Private Collection, Asia's first destination club offering perpetual and transferable membership.
2007	Banyan Tree Madivaru, Maldives, the first to introduce Tented Pool Villas in the Maldives, and Angsana Riads Collection, Morocco open. The Group fully subscribes to LRH's rights issue and its shareholding in LRH increases from 51.8% to 65.8%. The Issuer establishes a S$400 million Multicurrency Medium Term Note Programme (which has since been renamed and upsized to a S$700 million Multicurrency Debt Issuance Programme) and issues S$100 million of Notes from this programme.
2008	Banyan Tree Sanya, China opens. The Group launches the Banyan Tree Indochina Hospitality Fund, a real estate development fund primarily focusing on the hospitality sector in Vietnam, Cambodia and Laos. Its principal project is Laguna Lâng Cô, an integrated resort development in Central Vietnam.

2009	Banyan Tree Mayakoba, Mexico, Banyan Tree Hangzhou, China, Banyan Tree Ungasan, Indonesia and Banyan Tree Al Wadi, UAE open. Angsana Velavaru, Maldives introduces new InOcean Villas. Banyan Tree Indochina Hospitality Fund achieves a total capital commitment of US$283 million at final closing on 30 June 2009. Banyan Tree Global Foundation is set up as a separate entity to house, manage and administer the funds raised by the Group's Green Imperative Fund and to provide in-house corporate social responsibility consultancy services.
2010	Banyan Tree Cabo Marques, Mexico, Banyan Tree Club & Spa Seoul, Korea, Banyan Tree Samui, Thailand and Angsana Fuxian Lake, China, open. LRH sells the Dusit Laguna Resort Hotel in Phuket, Thailand, to Dusit Thani Public Company Limited for THB2.6 billion. The Banyan Tree China Hospitality Fund achieves a total capital commitment of RMB1.1 billion.
2011	Banyan Tree Macau, China, Banyan Tree Spa Marina Bay Sands, Singapore, Angsana Hangzhou, China, and Angsana Balaclava, Mauritius, open. Sheraton Grande Laguna Phuket is renovated and rebranded as Angsana Laguna Phuket. LRH sells all its shares in Laguna Beach Club Limited, which holds Laguna Beach Resort, Thailand, to Laguna Phuket Club Co., Ltd for THB717.2 million.
2012	Banyan Tree Shanghai On The Bund, China, Banyan Tree Lâng Cô, Vietnam and Angsana Lâng Cô, Vietnam, open. The Group acquires the remaining 70% stake in Banyan Tree Seychelles and 77.5 hectares of adjoining undeveloped freehold land for US$25 million.
2013	Three resorts open in China – Banyan Tree Tianjin Riverside, Banyan Tree Chongqing Beibei and Angsana Tengchong Hot Spring Village. The Group sells Angsana Velavaru, Maldives to CDL Hospitality Trusts for US$71 million and leases it back to CDL Hospitality Trusts for 10 years.
2014	The Group launches its third brand, Cassia, which brings together investment opportunities for the growing middle class looking for affordable holiday homes and the opportunity to develop an innovative hotel product in the serviced apartment segment. The Issuer renames and upsizes the S$400 million Multicurrency Medium Term Note Programme (established in 2007) to a S$700 million Multicurrency Debt Issuance Programme.
2015	Cassia Phuket, Thailand and Banyan Tree Huangshan, China opens. The Group launches its fourth brand, Dhawa, a casual and contemporary full-service hotel that targets middle-class design savvy travellers who seek distinctive experiences in stylish and unique destinations.
2016	The Issuer enters into a strategic, long-term partnership with AccorHotels to develop and manage Banyan Tree-branded hotels around the world. The Issuer agrees to form a joint venture with Vanke, to consolidate the Group's ownership interest in China, and to co-develop the Group's brands in China.

2017	Mandai Park Holdings announces the appointment of the Group as the operator of an eco-friendly resort to be located within the new integrated nature and wildlife destination at Mandai. This partnership marks the debut of Banyan Tree in Singapore. In August 2017, the Group executes the definitive agreement with Vanke to create a 50:50 joint venture to consolidate ownership of the Group's hotels and assets in China. Upon completion of the joint venture, the Group also places out 5% of its ordinary shares to Vanke. The joint venture with Vanke is for the purpose of consolidating the Group's ownership interest in China, as well as to co-develop the Group's brands in China. The Group further places out 5% of its ordinary shares to AccorHotels following a conversion of debentures issued to the Issuer. The Group's partnership with AccorHotels involves both parties collaborating to develop and manage Banyan Tree-branded hotels around the world.
2018	Following the completion of a voluntary tender offer, the Group's shareholding in Laguna Resorts & Hotels Public Company Limited increases from 65.75% to 86.28%. Banyan Tree sells its entire portfolio of assets in Seychelles, but continues to manage Banyan Tree Seychelles under a hotel management agreement. Pursuant to Banyan Tree's joint venture with Vanke, BTAC, acquires all the assets and interests in Banyan Tree China Hospitality Fund (as a result of this acquisition, the Banyan Tree China Hospitality Fund ceased to exist as a fund), diluting Banyan Tree's interest in BTAC from 50.0% to 22.8%. Vanke subsequently exercises the option to purchase additional shares in BTAC, further reducing Banyan Tree's shareholding in BTAC to 4.2%.
2019	The Group celebrates its 25th anniversary. On 30 December 2019, the Group increased its shareholding in BTAC to 5.2% as a result of an agreement between the Group and Vanke to use the increase in shareholding as an offset against receivables owed.

ISSUER'S SUBSIDIARIES AND ASSOCIATES

The details of the Issuer's subsidiaries and associates as at 31 December 2019 are as follows:

Name	Date and Place of Incorporation/Principal Place of Business	Principal Activities	Effective Ownership Interest
Singapore			
Architrave Design & Planning Services Pte. Ltd.	15 November 2011, Singapore/Singapore	Provision of design, planning and consultancy services for hotels, resorts and spas	100.0%
Brand Management Pte. Ltd.	27 October 2000, Singapore/Singapore	Provision of consultancy services	100.0%
Banyan Tree Gallery (Singapore) Pte Ltd	16 November 1994, Singapore/Singapore	Sale of merchandise	93.0%[(1)]
Banyan Tree Hotels & Resorts Pte. Ltd.	26 October 1991, Singapore/Singapore	Provision of resort, spa, project and golf management services	100.0%
Banyan Tree Spas Pte. Ltd.	5 December 2002, Singapore/Singapore	Operation of spas	100.0%
Hotelspa Pte. Ltd.	15 April 2003, Singapore/Singapore	Investment holding	100.0%
Banyan Tree Investments Pte. Ltd.	22 January 1985, Singapore/Singapore	Property holding	100.0%
Prestige Global Services Pte. Ltd.	19 September 2008, Singapore/Singapore	Own and manage intellectual property for and on behalf of Banyan Tree Group	100.0%
Banyan Tree Capital Pte. Ltd.	23 July 2008, Singapore/Singapore	Business management and consultancy services	100.0%
Banyan Tree Dunhuang (S) Pte. Ltd.	22 October 2007, Singapore/Singapore	Investment holding	100.0%
Banyan Tree Indochina Holdings Pte. Ltd.	22 January 2008, Singapore/Singapore	Investment holding	100.0%
Banyan Tree Indochina Management (Singapore) Pte. Ltd.	22 January 2008, Singapore/Singapore	Investment holding	100.0%
Banyan Tree Services Pte. Ltd.	15 November 2011, Singapore/Singapore	Investment holding	100.0%
GPS Development Services Pte. Ltd.	15 November 2011, Singapore/Singapore	Provision of purchasing and project services for hotels, resorts and spas	100.0%
Banyan Tree Marketing Group Pte. Ltd.	7 March 2012, Singapore/Singapore	Provision of marketing services	100.0%
BT Development Singapore Pte. Ltd.	19 June 2014, Singapore/Singapore	Investment holding	100.0%
Banyan Tree Management (S) Pte. Ltd.	26 September 2014, Singapore/Singapore	Hotel management	100.0%
Banyan Tree China Pte. Ltd.	07 April 2017, Singapore/Singapore	Investment holding	98.5%
Banyan Tree Businesses Pte. Ltd.	08 April 2017, Singapore/Singapore	Investment holding	100.0%

Name	Date and Place of Incorporation/Principal Place of Business	Principal Activities	Effective Ownership Interest
Banyan Tree Services (China) Pte. Ltd.	08 April 2017, Singapore/Singapore	Investment holding	40.0%
Banyan Tree Hotel Management (China) Pte. Ltd.	11 May 2017, Singapore/ Singapore	Investment holding	40.0%
ACAP International Investments Pte. Ltd.	11 September 2018, Singapore/Singapore	Investment holding	100.0%
Hill View Resorts Holdings Pte. Ltd.[15]	1 October 2019, Singapore/Singapore	Investment holding	100.0%
Lindere Villas Pte. Ltd.[16]	1 October 2019, Singapore/Singapore	Investment holding	100.0%
Hong Kong			
Banyan Tree Resorts Limited	22 January 1991, Hong Kong/Hong Kong	Provision of resort management services	100.0%
Banyan Tree Spa (HK) Limited	30 December 1996, Hong Kong/ Hong Kong	Provision of spa management services	100.0%
Triumph International Holdings Limited	20 January 2003, Hong Kong/Hong Kong	Investment holding	80.0%[2]
Banyan Tree Investment Holdings (HK) Limited	27 August 2007, Hong Kong/Hong Kong	Investment holding	100.0%
Banyan Tree Properties (HK) Limited	5 July 2011, Hong Kong/Hong Kong	Investment holding	100.0%
Banyan Tree Mkg (HK) Limited	19 March 2012, Hong Kong/Hong Kong	Provision of marketing services	100.0%
Northpoint Investments Limited	13 January 2014, Hong Kong/Hong Kong	Investment holding	100.0%
Thailand			
Banyan Tree Gallery (Thailand) Limited	22 December 1994, Thailand/Thailand	Sale of merchandise	93.0%[3]
Banyan Tree Resorts & Spas (Thailand) Company Limited	4 October 1996, Thailand/Thailand	Provision of spa services	100.0%
Laguna Resorts & Hotels Public Company Limited	30 April 1986, Thailand/Thailand	Hotel and property development business	86.3%[4]
Banyan Tree Hotels & Resorts (Thailand) Limited	27 March 2012, Thailand/Thailand	Provision of hotel management services	100.0%
Banyan Tree Assets (Thailand) Company Limited	22 July 2019, Thailand/Thailand	Holding company	100.0%
Thai Wah Public Company Limited	1 October 2015[17] Thailand/Thailand	Manufacture and distribution of vermicelli, tapioca starch and other food products	8.65%

Name	Date and Place of Incorporation/Principal Place of Business	Principal Activities	Effective Ownership Interest
British Virgin Islands			
Club Management Limited	18 September 2006, British Virgin Islands/ British Virgin Islands	Provision of resort and hotel management and operation services, and ancillary services related to the hospitality industry	100.0%
Jayanne International Limited	3 October 2006, British Virgin Islands/ British Virgin Islands	Investment holding	100.0%
Maldives			
Maldives Angsana Pvt Ltd	14 September 2000, Maldives/Maldives	Operation of holiday resorts	100.0%
Vabbinvest Maldives Pvt Ltd	31 July 1985, Maldives/Maldives	Operation of holiday resorts	100.0%
Maldives Bay Pvt Ltd	28 March 2004, Maldives/Maldives	Development and management of resorts, hotels and spas	100.0%
Maldives Cape Pvt Ltd	28 March 2004, Maldives/Maldives	Development and management of resorts, hotels and spas	100.0%
Sri Lanka			
Beruwela Walk Inn Limited	13 March 1973, Sri Lanka/Sri Lanka	Operation of hotel resorts	100.0%[(5)]
Banyan Tree (Private) Limited	10 May 2004, Sri Lanka/Sri Lanka	Operation of spas	100.0%
Australia			
Keelbay Pty Ltd	6 February 2002, Australia/Australia	Development of residential property	100.0%
BT Development No. 1 Pty Ltd	17 June 2014, Australia/Australia	Development of residential property	100.0%
China			
Zhongdian Jiantang Hotel Limited	29 December 1997, China/China	Hotel services	80.0%[(6)]
Tibet Lhasa Banyan Tree Resorts Limited	13 November 2006, China/China	Construction and management of hotels and spas	100.0%
Dunhuang Banyan Tree Hotel Company Limited	11 January 2008, China/China	Develop, own and operate hotels and resorts in China	100.0%
Tianjin Banyan Tree Capital Investment Management Co., Ltd.	18 June 2010, China/China	Investment management and related consulting services	100.0%
Rong Yuan (Shanghai) Business Management Co., Ltd.[(18)]	29 January 2019, China/China	Provision of marketing and management consulting services	100.0%

Name	Date and Place of Incorporation/Principal Place of Business	Principal Activities	Effective Ownership Interest
Malaysia			
Banyan Tree Spas Sdn. Bhd.	1 March 2004, Malaysia/Malaysia	Operation of spas	100.0%
Japan			
Banyan Tree Japan Yugen Kaisha	12 April 2004, Japan/Japan	Operation of spas	100.0%
South Africa			
Heritage Spas South Africa (Pty) Ltd	29 June 2004, South Africa/ South Africa	Operation and investment in resorts, spas and retail outlets	100.0%
Cayman Islands			
Banyan Tree Indochina (GP) Company Limited	29 January 2008, Cayman Islands/Cayman Islands	Manage and operate the Banyan Tree Indochina Hospitality Fund, L.P.	100.0%
Banyan Tree Indochina Hospitality Fund, L.P.	29 January 2008 Cayman Islands/Cayman Islands	Business of real estate development fund, focused in the hospitality section in Vietnam	17.02%
Indonesia			
PT. Heritage Resorts & Spas	30 June 2005,(10) Indonesia/Indonesia	Tourism management consultancy services	100.0%
PT. Management Banyan Tree Resorts & Spas	8 December 2006,(11) Indonesia/Indonesia	Provision of consultation and management services of the international hotels marketing	100.0%
PT. Banyan Tree Management	14 August 2012,(12) Indonesia/Indonesia	Provision of hotel management services	100.0%
PT. Cassia Resorts Investments	26 May 2014,(13) Indonesia/Indonesia	Hotel operations and property development	100.0%
PT. Leisure Development Bintan	26 January 2015(14) Indonesia/Indonesia	Hotel operations and property development	100.0%
United Kingdom			
Banyan Tree Mkg (UK) Ltd	22 May 2007, United Kingdom/ United Kingdom	Provision of marketing services	100.0%
Mexico			
Banyan Tree MX S.A. De C.V.	18 October 2008, Mexico/Mexico	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	100.0%
Banyan Tree Servicios S.A. De C.V.	17 October 2008, Mexico/Mexico	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	100.0%
Lotes 3 Servicios S.A. De C.V.	14 April 2008, Mexico/Mexico	Provision of business management and services	20.0%(7)

Name	Date and Place of Incorporation/Principal Place of Business	Principal Activities	Effective Ownership Interest
Morocco			
Banyan Tree Resorts & Spas (Morocco) S.A.	28 March 2007, Morocco/Morocco	Provision of management, operation services and ancillary services related to the hospitality industry	100.0%
Green Transportation SARL AU	15 January 2009, Morocco/Morocco	Provision of tourist transportation activities	100.0%
Cyprus			
Banyan Tree Hotels (Cyprus) Ltd	3 March 2009, Cyprus/Cyprus	Provision of management consultancy and hotel design services	100.0%
Philippines			
BT Investments Holdings Phils. Inc.	26 May 2008, Philippines/Philippines	Investment holding	97.9%(8)
Diwaran Resorts Phil. Inc.	14 April 2009, Philippines/Philippines	Investment holding	9.1%(9)
Korea			
Banyan Tree Hotels & Resorts Korea Limited	16 August 2013, South Korea/ South Korea	Provision of hotel management services	100.0%

Notes:

(1) Banyan Tree Gallery (Singapore) Pte Ltd is 49.0% held by the Issuer and 51.0% held by Laguna Resorts & Hotels Public Company Limited ("LRH").

(2) The remaining 20.0% in Triumph International Holdings Limited is held by individuals unrelated to the Issuer.

(3) Banyan Tree Gallery (Thailand) Limited is 49.0% held by the Issuer and 51.0% held by LRH.

(4) LRH is listed on the Stock Exchange of Thailand ("SET"). Thai Wah Public Company Limited (the amalgamation of Thai Wah Food Products Public Company Limited and Thai Wah Starch Public Company Limited which took effect on 1 October 2015 ("TWPC")), a company listed on the SET, has a direct interest of 2.1% in LRH. Executive Chairman, Mr Ho KwonPing and his family members have an aggregate direct and deemed interests of 41.69% in TWPC.

(5) Beruwela Walk Inn Limited was de-listed from the Colombo Stock Exchange of Sri Lanka on 24 September 2014.

(6) Zhongdian Jiantang Hotel Limited is 100.0% held by Triumph International Holdings Limited.

(7) Lotes 3 Servicios S.A. De C.V. is 20.0% held by Hotelspa Pte. Ltd. and the remaining 60.0% is held by Aqua Mayakoba S.A. de C.V, the Issuer's joint venture partner and 20% is held by OHLDM SA de C.V..

(8) The remaining 2.1% effective interest in BT Investments Holdings Phils. Inc. is held by individuals unrelated to the Issuer.

(9) BT Investments Holdings Phils. Inc. has significant influence over the operating and financial policies of Diwaran Resorts Phil. Inc., and therefore considers it as an associate.

(10) PT. Heritage Resorts & Spas was established on 30 June 2005 and the establishment was ratified by the Ministry of Law and Human Rights ("MLHR") on 22 November 2007.

(11) PT. Management Banyan Tree Resorts & Spas was established on 8 December 2006 and the establishment was ratified by MLHR on 14 March 2007.

(12) PT. Banyan Tree Management was established on 14 August 2012 and the establishment was ratified by MLHR on 11 September 2012.

(13) PT. Cassia Resorts Investments was established on 26 May 2014 and the establishment was ratified by MLHR on 28 May 2014.

(14) PT. Leisure Development Bintan was established on 26 January 2015 and the establishment was ratified by MLHR on 30 January 2015.

(15) Re-domiciled from British Virgin Islands to Singapore on 1 October 2019.

(16) Re-domiciled from British Virgin Islands to Singapore on 1 October 2019.

(17) Thai Wah Public Company Limited is the amalgamation of Thai Wah Food Products Public Company Limited and Thai Wah Starch Public Company Limited which took effect from 1 October 2015.

(18) Incorporated during the year as wholly owned subsidiary of the Group with a registered capital of US$100,000. As of 31 December 2019, the Group has not paid for the registered capital.

The details of LRH's subsidiaries and associates as at 31 December 2019 are as follows:

Name	Date and Place of Incorporation/Principal Place of Business	Principal Activities	Effective Ownership Interest
Thailand			
Bangtao Grande Limited	30 November 1993, Thailand/Thailand	Hotel operations and property development	100.0%
Bangtao (1) Limited	22 August 1988, Thailand/Thailand	Owns land on which the golf course is situated	100.0%
Bangtao (2) Limited	22 August 1988, Thailand/Thailand	Owns land on which gold course is situated	100.0%
Bangtao (3) Limited	22 August 1988, Thailand/Thailand	Property development	100.0%
Bangtao (4) Limited	23 August 1988, Thailand/Thailand	Owns land on which the golf course is situated	100.0%
Bangtao Laguna Limited	30 July 1987, Thailand/Thailand	Owns land on which a hotel is situated and property development	100.0%
Banyan Tree Gallery (Thailand) Limited	22 December 1994, Thailand/Thailand	Sale of merchandise	51.0%(1)
Laguna (3) Limited	9 March 1988, Thailand/Thailand	Owns land on which a hotel is situated	100.0%
Laguna Banyan Tree Limited	9 January 1991, Thailand/Thailand	Hotel operations, property development, sales and marketing service for holiday club membership	100.0%
Laguna Grande Limited	24 February 1988, Thailand/Thailand	Operating a golf club and property development	100.0%
Laguna Holiday Club Limited	4 May 1994, Thailand/Thailand	Holiday Club membership and property development	100.0%
Laguna Service Company Limited	13 November 1990, Thailand/Thailand	Providing utilities and other services to hotels of the company and subsidiaries	72.9%(2)
Mae Chan Property Company Limited	16 October 1989, Thailand/Thailand	Holds land plot for future development	100.0%
Phuket Grande Resort Limited	4 July 1983, Thailand/Thailand	Property development and hotel operations	100.0%
Pai Samart Development Company Limited	22 November 1990, Thailand/Thailand	Holds land plot for future development	100.0%
Talang Development Company Limited	26 October 1990, Thailand/Thailand	Property development	50.0%(3)
Thai Wah Plaza Limited	20 March 1989, Thailand/Thailand	Hotel operations, lease of office building space and property development	100.0%
Thai Wah Tower Company Limited	8 June 1989, Thailand/Thailand	Lease of office building space	100.0%
Thai Wah Tower (2) Company Limited	2 December 1988, Thailand/Thailand	Owns land on which a hotel is situated	100.0%
Twin Waters Limited	22 June 1989, Thailand/Thailand	Property development	100.0%

Name	Date and Place of Incorporation/Principal Place of Business	Principal Activities	Effective Ownership Interest
TWR-Holdings Limited	14 June 1988, Thailand/Thailand	Investment holding and property development	100.0%
Laguna Excursions Limited	25 November 2005, Thailand/Thailand	Travel operations	49.0%(4)
Laguna Village Limited	24 March 2009, Thailand/Thailand	Dormant company	100.0%
Laguna Lakes Limited	23 June 2008, Thailand/Thailand	Property development	95.0%(5)
Indonesia			
PT. AVC Indonesia	16 August 2002, Indonesia/Indonesia	Holiday Club membership and operating a golf club	100.0%
Singapore			
Banyan Tree Gallery (Singapore) Pte Ltd	16 November 1994, Singapore/Singapore	Sale of merchandise	51.0%(6)
Hong Kong			
Cheer Golden Limited	1 March 2002, Hong Kong/Hong Kong	Investment holding	100.0%
Tropical Resorts Limited	19 October 1990, Hong Kong/Hong Kong	Resort investment and development	25.9%(7)

Notes:

(1) The remaining 49.0% in Banyan Tree Gallery (Thailand) Limited is held by the Issuer.

(2) The remaining 27.1% in Laguna Service Company Limited is held by an unrelated third party.

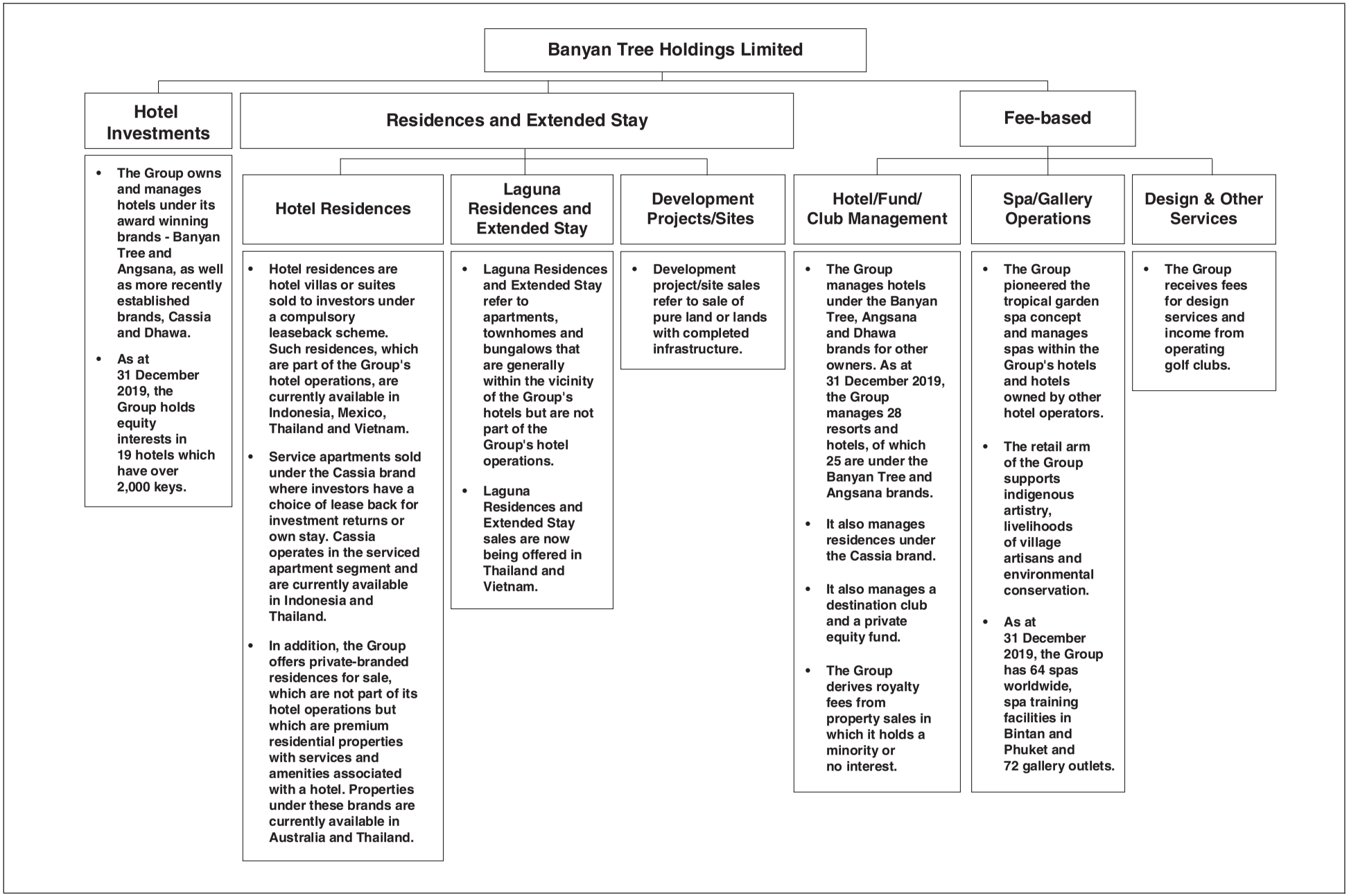
(3) The remaining 50.0% in Talang Development Company Limited is held by an unrelated third party.

(4) A subsidiary has a 49.0% shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the profits of this subsidiary at 100.0% after deducting the cumulative preferential annual dividend of 15.0% of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

(5) The remaining 5.0% in Laguna Lakes Limited is held by an unrelated third party.

(6) The remaining 49.0% in Banyan Tree Gallery (Singapore) Pte Ltd is held by the Issuer.

(7) Tropical Resorts Limited is 25.9% held by Laguna Banyan Tree Limited. The other shareholders are Chang Fung Company Limited ("CFCL") of 15.1% and TWPC (the amalgamation of Thai Wah Food Products Public Company Limited and Thai Wah Starch Public Company Limited which took effect on 1 October 2015) of 19.8% and the remaining 39.2% is held by an unrelated third party. Executive Chairman, Mr Ho KwonPing and his family members have an aggregate direct interest of 100.0% in CFCL and an aggregate direct and deemed interests of 41.69% in TWPC.


Banyan Tree Holdings Limited
Hotel Investments
Residences and Extended Stay
Fee-based
• The Group owns and manages hotels under its award winning brands - Banyan Tree and Angsana, as well as more recently established brands, Cassia and Dhawa.
• As at 31 December 2019, the Group holds equity interests in 19 hotels which have over 2,000 keys.
Hotel Residences
Laguna Residences and Extended Stay
Development Projects/Sites
• Hotel residences are hotel villas or suites sold to investors under a compulsory leaseback scheme. Such residences, which are part of the Group's hotel operations, are currently available in Indonesia, Mexico, Thailand and Vietnam.
• Service apartments sold under the Cassia brand where investors have a choice of lease back for investment returns or own stay. Cassia operates in the serviced apartment segment and are currently available in Indonesia and Thailand.
• In addition, the Group offers private-branded residences for sale, which are not part of its hotel operations but which are premium residential properties with services and amenities associated with a hotel. Properties under these brands are currently available in Australia and Thailand.
• Laguna Residences and Extended Stay refer to apartments, townhomes and bungalows that are generally within the vicinity of the Group's hotels but are not part of the Group's hotel operations.
• Laguna Residences and Extended Stay sales are now being offered in Thailand and Vietnam.
• Development project/site sales refer to sale of pure land or lands with completed infrastructure.
Hotel/Fund/ Club Management
Spa/Gallery Operations
Design & Other Services
• The Group manages hotels under the Banyan Tree, Angsana and Dhawa brands for other owners. As at 31 December 2019, the Group manages 28 resorts and hotels, of which 25 are under the Banyan Tree and Angsana brands.
• It also manages residences under the Cassia brand.
• It also manages a destination club and a private equity fund.
• The Group derives royalty fees from property sales in which it holds a minority or no interest.
• The Group pioneered the tropical garden spa concept and manages spas within the Group's hotels and hotels owned by other hotel operators.
• The retail arm of the Group supports indigenous artistry, livelihoods of village artisans and environmental conservation.
• As at 31 December 2019, the Group has 64 spas worldwide, spa training facilities in Bintan and Phuket and 72 gallery outlets.
• The Group receives fees for design services and income from operating golf clubs.

AWARDS AND ACCOLADES

The Group has garnered over 2,600 awards and accolades for its hotels, resorts, spas and residences since the first Banyan Tree resort was launched in 1994. The Group's resorts, hotels and spas have been voted as among the best in the world by readers of leading travel consumer and trade publications in Asia Pacific, Europe and the Americas. The Group has also received recognition for its commitment to environmental protection and emphasis on sustainability. Awards and accolades received by the Group include:

Corporate

- "*Best Managed Board in Mid Cap Category – Gold Award*" – Banyan Tree Holdings Limited at the Singapore Corporate Awards 2019
- "*Best Land Use and Biodiversity*" – Banyan Tree Hotels & Resorts at the Sustainable Business Awards 2019
- "*Special Recognition Strategy and Sustainability*" – Banyan Tree Hotels & Resorts at the Sustainable Business Awards 2019
- "*Sustainable Business Category – Winner*" – Banyan Tree Hotels & Resorts at the Singapore Apex Corporate Sustainability Awards 2019
- "*The Corporate Social Responsibility Group of 2019*" – Banyan Tree Hotels & Resorts from Shanghai Morning Post
- "*The Best CSR Hotel Group*" – Banyan Tree Hotels & Resorts at the China Daily My Choice Hotel Awards 2018
- "*The Best CSR Award*" – Banyan Tree Hotels & Resorts from City Traveler 2019

Resorts and Hotels

- "*Best 50 Resorts in the World (12th) & Top 20 Resorts in Asia (2nd)*" – Angsana Lăng Cô at the Condé Nast Traveler Readers' Choice Awards 2019
- "*Forbes Travel Guide Five-Star Awards for Hotel, Restaurant and Spa*" – Banyan Tree Macau at the Forbes Travel Guide Star Awards from 2016 to 2019
- "*Best Resort (Service Excellence) – Asia Pacific*" – Banyan Tree Phuket at the Travel Weekly Asia 2019 Readers' Choice Awards
- "*Bali Leading Luxury Resort*" – Banyan Tree Ungasan at the 10th Indonesia Travel and Tourism Awards 2019
- "*Best Boutique Hotels (4th)*" – Banyan Tree Samui at the 14th DestinAsian Readers' Choice Awards 2019
- "*Best Hotels & Resorts in Macau (4th)*" – Banyan Tree Macau at the 14th DestinAsian Readers' Choice Awards 2019
- "*Top 20 Resorts in Mexico (West) (7th)*" – Banyan Tree Cabo Marqués at the Condé Nast Traveler Readers' Choice Awards 2019

- "*Top 20 Resorts in Mexico (East) (7th)*" – Banyan Tree Mayakoba at the Condé Nast Traveler Readers' Choice Awards 2019

- "*2019 China's Top 100 Hotels*" – Banyan Tree Lijiang & Banyan Tree Chongqing Beibei at the Travel + Leisure China Awards 2019

- "*10 Best Triathlons in the World (5th)*" – Laguna Phuket Triathlon from Let's Do This UK 2019

Spas

- "*TTG Travel Hall of Fame – Best Spa Operator (5th year since induction)*" – Banyan Tree Spa at the 29th TTG Travel Awards 2019

- "*Best Spa Operator of China (11th consecutive year)*" – Banyan Tree Spa at the 14th China Hotel Starlight Awards 2018

- "*World's Best Casino Hotel Spa 2019*" – Banyan Tree Spa Marina Bay Sands at the World Spa Awards 2019

- "*Mauritius' Best Wellness Retreat*" – Angsana Balaclava Mauritius at the World Spa Awards 2019

- "*Best for Targeted Healing*" – Banyan Tree Spa Estoril at the Condé Nast Traveler Spa Awards 2019

- "*Best Foreign Hotel Spa*" – Banyan Tree Spa Phuket at the GQ Travel Awards 2019

- "*SpaChina Grand Jury Awards*" – Banyan Tree Spa Anji at the SpaChina Awards 2019

- "*Kinnari Gold Award (3rd consecutive win, conferred Hall of Fame)*" – Banyan Tree Spa Bangkok at the Thailand Tourism Awards 2019

- "*The Best Villa Spa*" – Banyan Tree Spa Bintan at the Spa & Wellness Tourism Indonesia Awards 2019

- "*Best Pampering Spa Experience*" – Banyan Tree Spa Marina Bay Sands at the ICON Spa Awards 2019

- "*Best Spa Brand (11th consecutive win, conferred Hall of Fame)*" – Banyan Tree Spa at the 2017 Hurun Report China Best of the Best Award Ceremony

- "*Best Quality School*" – Banyan Tree Spa Academy from The Private Education Commission of Thai Ministry of Education in 2017

Galleries

- "*Best Natural Conditioner: Rosemary and Lavender Conditioner*" – Banyan Tree Essentials at the Harper's Bazaar Hair Awards 2019

- "*Best Hair Serum/Oil for Thinning Hair: Rosemary and Lavender Scalp Serum*" – Banyan Tree Essentials at the Harper's Bazaar Hair Awards 2019

- "*Winner for Communication Design – Packaging (Design Mark)*" – Banyan Tree Essentials at the Golden Pin Design Awards in 2018

- "*Best Shampoo for Oily Hair: Kieffer Lime Shampoo*" – Banyan Tree Essentials at the Harper's Bazaar Hair Awards 2018

- "*Best Conditioner for Dandruff: Kieffer Lime Conditioner*" – Banyan Tree Essentials at the Harper's Bazaar Hair Awards 2018

- "*Best Casual Fashion Brand*" – MATTER Prints from 2018 Eluxe Awards

- "*Best Brightening Cleanser: Jasmine Rice Facial Foaming Wash*" – Banyan Tree Essentials at the Harper's Bazaar Beauty Awards 2016

Marketing and Brand

- "*Top 25 Hotel Brands in the World (22nd, with a score of 90.65)*" – Banyan Tree Hotels & Resorts at the Travel + Leisure US World's Best Awards 2019

- "*Best International Luxury Hotel Brand*" – Banyan Tree Hotels & Resorts at the 14th China Hotel Starlight Awards 2018

- "*Most Influential Hotel Group*" – Banyan Tree Hotels & Resorts at the Beijing News Travelling Award 2018

- "*Best Hotel Group 2019*" – Banyan Tree Hotels & Resorts at the Voyage Travel Awards 2019

- "*The Most Popular Hotel Brand*" – Banyan Tree Hotels & Resorts at the Golden Pillow Award 2019

- "*Singapore Top 100 Brands 2019 (Ranked 55th)*" – Banyan Tree Hotels & Resorts from Brand Finance Singapore 100 2019

- "*Golden Helmsman Award of Influential Brands*" – Banyan Tree Hotels & Resorts at the China Meadin Brand Index Awards in 2019

- "*Top 20 Hotel Brands in the World (16th, with a score of 90.64)*" – Banyan Tree Hotels & Resorts at the Travel + Leisure US World's Best Awards 2018

F&B

- "*European Category Winner: Vertigo*" – Banyan Tree Bangkok from 21st Bangkok's Best Restaurant Awards 2019

- "*Western Category Winner: Vertigo*" – Banyan Tree Bangkok from 21st Bangkok's Best Restaurant Awards 2019

- "*Ctrip Gourmet List 2018*" – Banyan Tree Sanya from Ctrip

- "*Forbes Travel Guide Five-Star Restaurant: Belon*" – Banyan Tree Macau at the Forbes Travel Guide Star Awards from 2016 to 2019

- "*Hong Kong & Macau's Best Restaurants 2016: Saffron (Recommended)*" – Banyan Tree Macau from HK Tatler Dining in 2016

Golf

- "*Best Golf Resorts – Asia*" – Laguna Lăng Cô from Editor's Golf Digest Choice 2019
- "*Thailand's Best Golf Course 2019*" – Laguna Golf Phuket at the 6th Annual World Golf Awards 2019
- "*Thailand's Best Golf Hotel 2019*" – Banyan Tree Phuket at the 6th Annual World Golf Awards 2019
- "*2018 Top 10 Golf Course*" – Laguna Golf Phuket at the 2018 Travel & Leisure China Awards
- "*Best Golf Resort"* – Banyan Tree Bintan from Travel + Leisure India Best Awards 2017
- "*Asia Top 10 Most Beautiful Golf Courses*" – Laguna Golf Bintan at Asia Top 100 Golf Courses Awards China in 2017

Architecture and Design

- "*New Hotel Construction & Design Thailand – Award Winner*" – Cassia Phuket by Banyan Tree Residences at the 2018 International Property Awards
- "*New Hotel Construction & Design Indonesia – Award Winner*" – Cassia Bintan by Banyan Tree Residences at the 2018 International Property Awards
- "*Hotel Under 200 Rooms Award: Banyan Tree Tamouda Bay*" – Architrave at The International Hotel & Property Awards 2017
- "*The Best Design Hotel*" – Banyan Tree Ringha from China Eastern 'Discover Yunnan' Top 50 Hotels 2017
- "*Best Interior Design*" – Banyan Tree Huangshan at the 2017 Best Hotel & Resort by Travel Info
- "*Best Designed Hotel"* – Banyan Tree Shanghai On The Bund at the Voyage 2016 China Awards
- "*Best Villa Development at Vietnam*" – Banyan Tree Lâng Cô, Central Vietnam at the Southeast Asia Property Awards 2013
- "*Best Condo Development at Vietnam*" – Angsana Lâng Cô, Central Vietnam at the Southeast Asia Property Awards 2013
- "*Best Boutique Design Resort*" – Banyan Tree Lijiang at the 2012 Extreme China Awards by Nanfang People Weekly and Across

BRANDS

The Group's business is centred on its collection of brands: Banyan Tree, Angsana, Cassia and Dhawa. Each of its brands is targeted at distinct customer segments to suit different needs and lifestyles and is built on a common foundation of quality, design, service excellence and sustainability in destinations of choice.

The strength of its brands enables the Group to attract like-minded business partners, such as AccorHotels, Vanke, American Express, HSBC, MasterCard, and OCBC Bank. These partnerships help expand awareness of its brands and increase customer reach through collaboration. Moving forward, partnerships continue to be a key part of its brand-building strategy.

Banyan Tree

Banyan Tree is targeted primarily at highly affluent travellers seeking a luxury retreat with a focus on romance, sense of place and rejuvenation. As at the Latest Practicable Date, rates for Banyan Tree resorts and hotels start from US$450 per room per night.

Positioned in the premium resort, hotel and spa market segments, the Group believes that the Banyan Tree brand is associated with aspiration, prestige and luxury, and is able to command rates that are at the higher end of the market for resorts and hotels within each resort or hotel's particular market. The Group pioneered the tropical garden spa and pool villa concepts that are now often associated with the Banyan Tree brand. As at 31 December 2019, there are 26 resorts and hotels, 29 spas and 38 galleries under the Banyan Tree brand.

Since the first Banyan Tree resort opened in 1994, Banyan Tree resorts have garnered numerous awards and accolades including "*2019 Forbes Travel Guide Five-Star Awards for Hotel, Restaurant and Spa*" from Forbes Travel Guide 2019 Star Award for Banyan Tree Macau, "*Best Resort (Service Excellence) – Asia Pacific*" from Travel Weekly Asia 2019 Readers' Choice Awards for Banyan Tree Phuket and "*Bali Leading Luxury Resort*" from 10th Indonesia Travel and Tourism Awards for Banyan Tree Ungasan.

Angsana

Launched in 2000, the Angsana brand targets couples, families and friends seeking a sense of adventure in travel. Angsana's rates are at the upper upscale range of the market for resorts and hotels within each resort or hotel's particular market and as at the Latest Practicable Date, start from US$200 per room per night. As at 31 December 2019, there are 15 resorts and hotels, 31 spas and 28 galleries under the award-winning Angsana brand.

Angsana resorts, hotels and spas have won many awards and accolades, including the "*Best 50 Resorts in the World (12th)*" & "*Top 20 Resorts in Asia (2nd)*" from Condé Nast Traveler Readers' Choice Awards 2019 for Angsana Lăng Cô, "*The Best Sustainable Hotel*" from M&C Asia Stella Awards 2019 for Angsana Laguna Phuket and "*Best Resort Hotel*" from 2018 Travel & Leisure China Awards for Angsana Xi'an Lintong.

Cassia

Cassia was created in 2014 to bring together investment opportunities for the growing middle class looking for affordable holiday homes as well as the opportunity to develop an innovative hotel product in the serviced apartment segment. Cassia offers one and two-bedroom units with flexible living and dining options. Rates for Cassia units as at the Latest Practicable Date start from US$120 per room per night. As at 31 December 2019, there are two properties under the Cassia brand.

Dhawa

An addition to the Group in 2015, Dhawa is a casual and contemporary full-service resort and hotel brand that fuses imaginative design, absolute comfort and seamless technology into a single stay experience. Dhawa builds on the Group's reputation for redefining luxury hospitality through innovative thinking, design excellence and sustainable business practices. It curates a plethora of choices to achieve a truly customised stay and caters to an emerging group of middle class design-savvy travellers who seek distinctive experiences in stylish and unique destinations. Rates for Dhawa resorts and hotels as at the Latest Practicable Date start from US$90 per room per night. As at 31 December 2019, there are two resorts and hotels under the Dhawa brand.

RESORTS AND HOTELS

The primary business of the Group is the management, development and ownership of resorts and hotels. As at 31 December 2019, the Group:

- manages and has ownership interests in 19 resorts and hotels, namely Banyan Tree Bangkok Thailand, Banyan Tree Cabo Marqués Mexico, Banyan Tree Huangshan China, Banyan Tree Lâng Cô Vietnam, Banyan Tree Lijiang China, Banyan Tree Mayakoba Mexico, Banyan Tree Phuket Thailand, Banyan Tree Ringha China, Banyan Tree Vabbinfaru Maldives, Banyan Tree Yangshuo China, Angsana Ihuru Maldives, Angsana Laguna Phuket Thailand, Angsana Lâng Cô Vietnam, Angsana Riads Collection Morocco, Angsana Velavaru Maldives, Angsana Villas Resort Phuket Thailand, Cassia Bintan Indonesia, Cassia Phuket Thailand and Laguna Holiday Club Phuket Resort Thailand; and

- manages but has no ownership interests in 28 resorts and hotels, namely Banyan Tree Anji China, Banyan Tree Bintan Indonesia, Banyan Tree Chongqing Beibei China, Banyan Tree Club & Spa Seoul South Korea, Banyan Tree Hangzhou China, Banyan Tree Jiuzhaigou China, Banyan Tree Kuala Lumpur Malaysia, Banyan Tree Macau China, Banyan Tree Samui Thailand, Banyan Tree Sanya China, Banyan Tree Seychelles, Seychelles, Banyan Tree Shanghai On The Bund China, Banyan Tree Tengchong China, Banyan Tree Tamouda Bay Morocco, Banyan Tree Tianjin Riverside China, Banyan Tree Ungasan, Bali Indonesia, Angsana Balaclava Mauritius, Angsana Bangalore India, Angsana Bintan Indonesia, Angsana Cayo Santa Maria, Angsana Hangzhou China, Angsana Maison Souvannaphoum Hotel Laos, Angsana Xian Lintong China, Angsana Xishuangbanna China, Angsana Zhuhai China, Dhawa Cayo Santa Maria Cuba, Dhawa Jinshanling China, Pavilion Hotel Kuala Lumpur Managed by Banyan Tree.

These resorts and hotels are located in 14 countries, and has 6,714 rooms available for use by guests. The Group entered into management agreements for 46 resorts and hotels (the exception being Laguna Holiday lub Phuket Resort which is managed (under management agreement) by LRH), even in respect of properties that the Group has a 100.0% effective ownership interest. A brief description of these resorts and hotels as at 31 December 2019 is set forth below:

No	Name	Form of management arrangement	City	Country	Brand	No. of Keys	Year Opened/ rebranded	Effective Ownership Interest[(5)]	Notes*
1	Angsana Balaclava Mauritius	Management agreement	Balaclava	Mauritius	AN	55	2011	–	
2	Angsana Bangalore	Management agreement	Bangalore	India	AN	79	2001	–	
3	Angsana Bintan	Management agreement	Bintan	Indonesia	AN	109	2000	–	
4	Angsana Cayo Santa Maria	Management agreement	Cayo Santa Maria	Cuba	AN	252	2018	–	
5	Angsana Hangzhou	Management agreement	Hangzhou	China	AN	61	2011	–	
6	Angsana Ihuru	Management agreement	Ihuru	Maldives	AN	45	2001	100.0%	
7	Angsana Laguna Phuket	Management agreement	Phuket	Thailand	AN	371	1992	86.3%	
8	Angsana Lâng Cô, Central Vietnam	Management agreement	Hue	Vietnam	AN	216	2012	15.9%	(1)
9	Angsana Riads Collection Morocco	Management agreement	Marrakech	Morocco	AN	41	2007	100.0%	
10	Angsana Velavaru	Management agreement	Velavaru	Maldives	AN	113	2006	100.0%	(2)
11	Angsana Villas Resort Phuket	Management agreement	Phuket	Thailand	AN	63	2016	86.3%	

No	Name	Form of management arrangement	City	Country	Brand	No. of Keys	Year Opened/ rebranded	Effective Ownership Interest[5]	Notes*
12	Angsana Xi'an Lintong	Management agreement	Shaanxi	China	AN	400	2014	–	
13	Angsana Xishuangbanna	Management agreement	Yunnan	China	AN	380	2019	–	
14	Angsana Zhuhai	Management agreement	Zhuhai	China	AN	202	2018	–	
15	Banyan Tree Tengchong	Management agreement	Yunnan	China	BT	37	2018	–	
16	Maison Souvannaphoum Hotel	Management agreement	Luang Prabang	Laos	AN	24	2005	–	
17	Banyan Tree Anji	Management agreement	Huzhou	China	BT	151	2018	–	
18	Banyan Tree Bangkok	Management agreement	Bangkok	Thailand	BT	327	2002	86.3%	
19	Banyan Tree Bintan	Management agreement	Bintan	Indonesia	BT	67	1995	–	
20	Banyan Tree Cabo Marqués	Management agreement	Acapulco	Mexico	BT	45	2010	14.3%	
21	Banyan Tree Chongqing Beibei	Management agreement	Chongqing	China	BT	96	2013	–	
22	Banyan Tree Club & Spa Seoul	Management agreement	Seoul	South Korea	BT	50	2010	–	
23	Banyan Tree Hangzhou	Management agreement	Hangzhou	China	BT	73	2009	–	
24	Banyan Tree Huangshan	Management agreement	An Hui	China	BT	127	2015	5.2%	
25	Banyan Tree Jiuzhaigou	Management agreement	Jiuzhaigou	China	BT	0	2017	–	(3)
26	Banyan Tree Kuala Lumpur	Management agreement	Kuala Lumpur	Malaysia	BT	55	2018	–	
27	Banyan Tree Lâng Cô, Central Vietnam	Management agreement	Hue	Vietnam	BT	61	2012	15.9%	(1)
28	Banyan Tree Lijiang	Management agreement	Lijiang	China	BT	125	2006	5.2%	
29	Banyan Tree Macau	Management agreement	Macau	China	BT	256	2011	–	
30	Banyan Tree Mayakoba	Management agreement	Riviera Maya	Mexico	BT	123	2009	5.6%	
31	Banyan Tree Phuket	Management agreement	Phuket	Thailand	BT	220	1994	86.3%	
32	Banyan Tree Ringha	Management agreement	Ringha	China	BT	32	2005	5.2%	
33	Banyan Tree Samui	Management agreement	Koh Samui	Thailand	BT	88	2010	–	
34	Banyan Tree Sanya	Management agreement	Sanya	China	BT	49	2008	–	
35	Banyan Tree Seychelles	Management agreement	Mahe	Seychelles	BT	60	2002	–	
36	Banyan Tree Shanghai On The Bund	Management agreement	Shanghai	China	BT	130	2012	–	
37	Banyan Tree Tamouda Bay	Management agreement	Tetouan	Morocco	BT	92	2016	–	

No	Name	Form of management arrangement	City	Country	Brand	No. of Keys	Year Opened/ rebranded	Effective Ownership Interest[5]	Notes*
38	Banyan Tree Tianjin Riverside	Management agreement	Tianjin	China	BT	153	2013	–	
39	Banyan Tree Ungasan	Management agreement	Bali	Indonesia	BT	71	2009	–	
40	Banyan Tree Vabbinfaru	Management agreement	Vabbinfaru	Maldives	BT	48	1995	100.0%	
41	Banyan Tree Yangshuo	Management agreement	Guangxi	China	BT	141	2014	5.2%	
42	Cassia Bintan	Management agreement	Bintan	Indonesia	CA	179	2017	100.0%	
43	Cassia Phuket	Management agreement	Phuket	Thailand	CA	309	2015	86.3%	
44	Dhawa Cayo Santa Maria	Management agreement	Cayo Santa Maria	Cuba	DH	516	2016	–	
45	Dhawa Jinshanling	Management agreement	Chengde	China	DH	198	2018	–	
46	Laguna Holiday Club Phuket Resort	Managed by LRH	Phuket	Thailand	Others	99	2006	86.3%	(4)
47	Pavilion Hotel Kuala Lumpur Managed by Banyan Tree	Management agreement	Kuala Lumpur	Malaysia	Others	325	2018	–	
						6,714			

Notes:

(1) Project developed by Banyan Tree Indochina Hospitality Fund. The Group's equity investment in the fund was US$41.9 million which had been progressively injected from 2009 to 2013.

(2) Under sale and leaseback arrangement w.e.f 31 January 2013.

(3) Banyan Tree Jiuzhaigou (209 Keys) was temporarily closed since May 2019.

(4) Laguna Holiday Club Phuket Resort is managed (under management agreement) by LRH.

(5) Management agreements are still required and entered into in respect of properties that the Group has a 100.0% effective ownership interest in.

Customers

Generally, customers for the Group's resorts and hotels reside in Asia, Europe and the Americas.

The following table sets forth the Group's customers' country of residence as a percentage of total room nights for the period indicated, based on information provided by the Group's customers.

	Year ended 31 December		
As a percentage of total room nights	**2017**	**2018**	**2019**
Europe	16.5%	17.8%	17.6%
Americas	5.9%	5.7%	6.0%
North Asia	66.0%	63.4%	59.0%
South Asia	7.0%	8.5%	12.3%
Oceania	2.0%	2.0%	2.3%
Middle East/Africa	2.6%	2.6%	2.8%

Notes:

(1) Europe includes United Kingdom, Germany, France, Switzerland, Russia, Italy and all European countries

(2) Americas includes the United States, Canada and South America

(3) North Asia includes Japan, South Korea and China

(4) South Asia includes Singapore, Malaysia, India, Thailand and Indonesia

(5) Oceania includes Australia, New Zealand and other Pacific countries

(6) Middle East/Africa includes all Middle East and all African countries

The following table sets forth the Group's customers' country of residence as a percentage of total room revenue for the period indicated, based on information provided by the Group's customers.

	Year ended 31 December		
As a percentage of total room nights	**2017**	**2018**	**2019**
Europe	18.2%	20.4%	20.7%
Americas	10.6%	10.9%	11.7%
North Asia	59.3%	55.5%	51.4%
South Asia	5.6%	6.4%	8.9%
Oceania	1.8%	2.0%	2.2%
Middle East/Africa	4.4%	4.8%	5.1%

Notes:

(1) Europe includes United Kingdom, Germany, France, Switzerland, Russia, Italy and all European countries

(2) Americas includes the United States, Canada and South America

(3) North Asia includes Japan, South Korea and China

(4) South Asia includes Singapore, Malaysia, India, Thailand and Indonesia

(5) Oceania includes Australia, New Zealand and other Pacific countries

(6) Middle East/Africa includes all Middle East and all African countries

GLOBAL MARKETING SERVICES

The Group operates a global marketing structure ("**GMS**") to undertake the marketing, brand management, media and guest relations, customer acquisition and retention programmes, distribution, internet marketing, reservations and yield management of the resorts and hotels under its integrated marketing structure. This allows the Group to:

- manage its global distribution network more efficiently;
- achieve economies of scale;
- maintain the integrity of its brands and consistency in the marketing and positioning of its resorts, hotels, spas and galleries;
- respond to changing market demands in a more effective and timely manner; and
- drive the Group's digital strategy to increase the percentage of direct bookings through the Group's corporate websites: www.banyantree.com, www.angsana.com, www.cassia.com and www.dhawa.com.

Brand Management

Branding is key to the Group's business success and platform for its global marketing efforts. To position the Group's brands, namely Banyan Tree, Angsana, Cassia and Dhawa, distinctively, the Group generally utilises separate distribution channels for each brand.

The Group's websites are a source of brand communication to reflect its quality product offerings through their contents and descriptions of its signature packages and promotions that are available all year round. In 2017, the Group enhanced its marketing fundamentals to drive brand awareness, engagement and preference by revamping the brand websites for Banyan Tree and Angsana to provide richer and more relevant content in easily comprehensible language, complemented by visually appealing imagery and video to bring the Group's destinations alive. The Group also conducted a user experience audit that led to improvements in content navigation for a better user experience. In pursuit of the Group's marketing objective to strengthen reach and brand preference, the Group amplified its content delivery and drive-to-web strategy with the combination of search engine optimisation, search engine marketing, meta search, digital advertising and digital partnership affiliation. The Group-wide contents of the new websites are available in English, Chinese, Spanish, Russian and Korean.

Through selected sales and marketing campaigns in leading lifestyle and trade publications, the Group maintains its brand visibility and associates itself with high-end publications such as Condé Nast Traveler and Travel+Leisure.

The Group also manages its brands through marketing programmes with strategic partners of similar branding such as American Express, MasterCard, OCBC Bank, and HSBC.

Global Sales Network

As at 31 December 2019, the Group has 18 sales staff located in 8 regional sales offices to market its resorts and hotels across strategic locations including Hong Kong, Taiwan, Japan, China, Germany, the United States and the United Kingdom. This geographical distribution of regional sales offices has enabled the Group to generate approximately US$21 million in room revenue from a diversified portfolio of over 480 accounts, for the resorts and hotels in 2019 alone. The Group selects its partners based on niche marketing expertise in experiential travel and/or prowess in specific destinations. These preferred partners supplement the Group's product offerings with flights and other holiday components to provide complete vacation packages. The Group's sales and relationship management structure also enables it to utilise this global network efficiently for cross-selling and bolster business quickly at the Group's new resorts, hotels and spas.

In coordination with its resorts and hotels, the Group surveys and negotiates with key commercial or leisure accounts, including but not limited to, wholesalers, online travel agencies, meeting planners, group tours and programmers for the delivery of a certain number of room nights for a period of up to 12 months in advance. These are based on each account's historical track record and forward potential to produce materialised occupancies and are reviewed annually in meetings between the Group's sales directors and wholesalers.

The Group participates in major international tradeshows, such as the International Luxury Travel Market and uses them as trade platforms to promote its brands and to conclude contracts with sales agents for upcoming travel seasons. The Group has dedicated resources to oversee its brand discipline and positioning, with the aim of maintaining consistency in its communications and to ensure growth. The Group also organises roadshows in key cities that have business potential for the hotels and resorts. For the year ended 31 December 2019, events were held in Europe (London and Frankfurt), Japan (Tokyo and Osaka), Taiwan, Hong Kong and China (Beijing, Guangzhou and Shanghai).

Marketing Communications

As the Group expands, the Group believes in utilising an integrated communications approach across its marketing channels across online and offline platforms.

The Group also believes that maintaining strong, long-term relationships with media, travel, lifestyle publications and opinion leaders within the media industry is important to its success. Such relationships help secure coverage for its hotels, resorts and spas in editorial channels of print, broadcast and online media.

The Group also organises trips for the media and bloggers to review its products and services as well as travel experiences. It also writes and issues timely and targeted communication content which include new product offerings, new property openings and newsworthy destination stories.

In addition, the Group's communications team is responsible for monitoring and responding to the media during times of crisis. The communications team consciously integrates its pro-community and pro-environment approach into its promotional and communications efforts.

To attract Frequent Leisure Travellers from the Group's primary feeder markets during the summer, the Group has also executed a successful campaign ("**Sunny Side Up**") in May 2018. This is in addition to another campaign ("**Celebrate Women**") in March 2019 that has proven to be effective, which is based on the premise of rewarding oneself or in recognising the female figure who has made a positive impact on one's life.

On the public relations ("**PR**") front, the Group continues its efforts to develop and share interesting stories and angles, focusing on its signature touch points and local experiences, via its appointed PR agencies around the globe. Such efforts highlighted the Group's brand pillars that celebrate the romance of travel, its unique sense of place experiences, as well as its sustainability ethos.

Marketing Alliances and Strategic Partnerships

Most of the reservations and guest information for the resorts, hotels and spas the Group manages, are captured by its Central Information System ("**CIS**"). CIS provides all the resorts, hotels and spas it manages with each guest's transactional history and preferences. With this information, the Group's global marketing team develops a series of acquisition and retention programmes to encourage customers to make repeat visits to its resorts, hotels and spas and to increase direct bookings.

The data captured in the CIS allows GMS to:

- communicate new openings, destination content, new spa treatments, etc. to former guests; and

- communicate special offers to drive traffic toward the corporate website, which increases revenues from repeated bookings.

In December 2016, the Group entered into a long-term partnership with global giant, AccorHotels, where both parties will develop and manage Banyan Tree-branded hotels around the world. The Group believes that AccorHotels' extensive footprint with a presence in Europe, the Middle East, Africa and the Americas will propel Banyan Tree's expansion into these markets. The tie-up with AccorHotels also offers the Group lower commission rates on online booking systems, which will allow the Group to compete more effectively. Through this partnership, the Group will be able to tap into AccorHotels' global reservations and sales network as well as its loyalty programme, Le Club AccorHotels, which will allow the Group to further broaden its customer reach globally.

In 2017, the Group entered into a joint venture with Vanke, a large and reputable Chinese real estate developer listed on the Shenzhen and Hong Kong Stock Exchanges, to help consolidate the ownership of Banyan Tree-branded hotels and assets in China. The partnership with Vanke will also provide the Group with access to prospective customers from Vanke's sizeable property sales database.

Global Reservations System

The resorts and hotels that the Group manages use Property Management System and most of the properties are interfaced with its Central Reservations System, which enables access to guests' profiles and transaction history via the internet. These critical reservations systems are backed up daily by each of the Group's resorts and hotels, as well as by its head office in Singapore. In the event that any of the Global Reservations Offices faces operational or technical problems, information and enquiries can be rerouted and accessed at another location by another team with relative ease, to ensure that its operations remain uninterrupted.

RESORT AND HOTEL EXPANSION

New Resorts

The Group is continually assessing new opportunities to develop or manage new resorts and hotels. The Group's business development team considers new locations for its resorts and hotels on an ongoing basis. Potential new locations for the Group's resorts and hotels are usually either proposed by its business development team or recommended to the Group by potential business associates or through its strategic co-development partnership with AccorHotels or Vanke. Along with satisfying demand for its product offerings, introducing its brands in new markets serves as valuable advertising for its existing resorts, hotels, spas and galleries as well as facilitating cross-selling. The decision to develop or manage a new resort or hotel is subject to a structured process culminating with a senior leadership project-by-project review and approval and is only made after the consideration of several factors. These factors include whether the potential site has the natural beauty and other features which are characteristic of a Banyan Tree, Angsana, Cassia or Dhawa resort or hotel, the Group's ability to achieve high price-to-cost ratios, accessibility of location, potential market demand, the Group's ability to establish a niche position in the potential location and existing basic infrastructure.

To meet the expansion needs of the Group, dedicated Directors of Pre-Openings based in China and Singapore have been appointed. Their role is to engage with ownership and project teams, simultaneously manage all pre-opening processes and coordinate all elements of corporate functional support to ensure openings are on-time, on budget and commercially successful from the start. In order to keep the brands at the forefront of their competitor sets, the Group has developed the Brand HQ Division whose four-fold role is to: (i) drive innovation through its Experience Development team; (ii) assure quality through various methods such as brand audits; (iii) manage the brands to maintain consistency in brand standards (which are reflective of changes generated through the Innovation & Quality team); and (iv) provide brand-building marketing support in the areas of earned media and communication narratives. The Brand HQ Team works closely with the Banyan Tree Management Academy ("**BTMA**").

BTMA is the Group's centralised people development facility in Phuket, Thailand. It was established officially in February 2008 and supports the Group's expansion while helping the Group to maintain high standards throughout its properties. It does this by developing a critical mass of internal talent, by equipping the Group's associates with the leadership and management skills to meet the manpower requirements of the Group's new and existing properties and by promoting learning at all levels to ensure that the Group's associates learn and grow with the Group. Systematic tracking of the Group's internal talents at all levels enables the Group to meet its internal people development goals as well as retain its core service and people culture, which is critical to its future success.

As at 31 December 2019, 46 new hotels and resorts where management agreements have been entered into are being planned or designed (of which, 15 are Banyan Tree-branded, 11 are Angsana-branded, 2 are Cassia-branded, 15 are Dhawa-branded and the remaining 3 are Others). One of these hotels is the Banyan Tree Doha, which is our first tie-up with AccorHotels and was concluded in January 2019. The hotel is slated to open in 2020.

SPA OPERATIONS

The Group believes it is one of the leading spa operators in Asia. Most Banyan Tree and Angsana Spas are open to the general public as well as its resort and hotel guests. The Group's spas have received over 680 awards, including "*TTG Travel Hall of Fame – Best Spa Operator*" for the fifth year since its induction into the distinguished TTG Hall of Fame in 2014, after being conferred the "*Best Spa Operator"* title for 10 consecutive years, "*Best Spa Brand*" from Hurun Report China Best of the Best Awards 2017 for the 11th consecutive year, "*Best Spa Operator of China*" for the 11th consecutive year at the 14th China Hotel Starlight Awards 2018, "*Best Quality School*" from The Private Education Commission of Thai Ministry of Education in 2017 (Banyan Tree Spa Academy) "*World's Best Casino Hotel Spa 2019*" from World Spa Awards 2019 (Banyan Tree Spa Marina Bay Sands), "*Mauritius' Best Wellness Retreat*" from World Spa Awards 2019 (Angsana Balaclava Mauritius), and "*Kinnari Gold Award"* for the third consecutive year at the Thailand Tourism Awards 2019 (Banyan Tree Spa Bangkok).

The table below sets forth details about the Group's spas as at 31 December 2019:

	Number of outlets	Number of treatment rooms	Number of spa therapists
Banyan Tree Spa	29	254	298
Angsana Spa	31	247	219
Elements Spa by Banyan Tree	1	8	8
Chill Chill Spa	3	20	7
	64(1)	**529**	**532**

Note:

(1) Of the 64 spas that the Group operates, 15 are leased from third parties.

The Group has established Banyan Tree Spas at each of the Banyan Tree resorts and hotels. In addition, it operates a Banyan Tree Spa at Marina Bay Sands, marking Banyan Tree's first venture in its home base of Singapore. The Group operates an Angsana Spa in all the other resorts. The Group also operates Angsana Spas in other operators' resorts and day spas in countries such as China, Guam, India, Indonesia, Ireland, Japan, Kenya, Laos, Maldives, Mauritius, Morocco, Qatar, South Africa, Sri Lanka, Thailand, and Vietnam. The spas are promoted by the Group's in-house global marketing team. The Group also operates three Chill Chill spas in Thailand and Malaysia. The Elements Spa by Banyan Tree is located in the Royale Hayat Hospital, Kuwait. The Group operates Elements Spa by Banyan Tree under a spa management agreement and receives management and incentive fees as a percentage of revenues and gross operating profit respectively for the operation of the spa.

The Banyan Tree Spa Academy

In May 2001, the Group opened the Banyan Tree Spa Academy (the "**Academy**") at Banyan Tree Phuket, Thailand. The Group's spa therapists must first enroll in the Academy and receive over 650 hours of theoretical and practical training, including lessons in basic anatomy and physiology, English and professional ethics. Over 2,500 therapists have graduated from the Academy since it opened. The therapists receive training on an ongoing basis from trainers from the Academy who visit all of the Group's individual spa outlets worldwide (including China) to train therapists and introduce new spa product offerings. The Academy also conducts research to develop new treatments, recipes, techniques and product offerings to help maintain the Group's leadership position in the spa industry in Asia. The Academy has been accredited by Thailand's Ministry of Education and Ministry of Public Health and was named the Best Quality School 2017 by The Private Education Commission of Thailand's Ministry of Education. This recognises the Group's stringent training methodology and accredits Banyan Tree Spa Academy as an institution to develop therapists and raise the bar for the spa industry. The Academy has expanded and set up a second Academy in Bintan, Indonesia. The expansion of the Academy enables the Group to select from a wider pool of quality therapists for the spas it manage internationally. The therapists can acquire overseas exposure, which in turn, enables the Group to increase its pool of experienced therapists to support its growth plans.

Ambience and Treatments

Banyan Tree Spas and Angsana Spas each offer distinct product offerings and experiences. Banyan Tree Spas are set in a classically luxurious environment, and use natural herbs and spices and signature touchpoints and techniques as the cornerstone of their therapies. Angsana Spas have contemporary interiors and colourful decors and place special emphasis on the use of flowers and fruits. Each spa offers treatments that range from a minimum of 60 minutes to a maximum of a one-day package of seven hours. Spa treatments offered include massages, body wraps, body scrubs, facials and beauty treatments for hand and foot pampering.

Spa Management Agreements

Spa management agreements are normally for 10-year terms. Where the Group manages a spa and a resort or a hotel, the term of the spa management agreement is the same as the resort or hotel management agreement. When it operates a spa through a lease, the term of the lease is negotiated on a case-by-case basis. The Group typically requires the landlord to fit out the spa in accordance with its specifications at the owner's cost prior to a six-month rent-free period. The Group then provides all the movable spa equipment such as tables, oils and linen.

The following table sets forth certain operating data for the spas the Group managed during the periods indicated:

	Financial year ended 31 December		
	2017	**2018**	**2019**
Banyan Tree			
Number of spas	26	29	29
Average rates per hour of use per room per day (S$)	106.81	106.20	103.26
Average hours of use per room per day	2.34	2.20	2.30
Angsana			
Number of spas	30	30	31
Average rates per hour of use per room per day (S$)	63.59	64.66	66.21
Average hours of use per room per day	2.41	2.25	2.17
Elements Spa by Banyan Tree			
Number of spas	1	1	1
Average rates per hour of use per room per day (S$)	83.22	83.39	85.41
Average hours of use per room per day	3.67	3.59	3.09
Other Spas			
Number of spas	3	3	3
Average rates per hour of use per room per day (S$)	29.76	32.90	33.99
Average hours of use per room per day	0.54	0.60	0.68

Spa Expansion

As the spas are a valued feature of the Group's resorts and hotels, it opens a spa at each new resort and hotel that it launches. In addition, the Group is frequently offered opportunities by other reputable hotel companies located in markets where the Group does not operate a spa, to open a Banyan Tree or Angsana Spa. These opportunities allow the Group to expand its spa business into new markets and further promote its brands without incurring the costs associated with opening a new resort.

As at 31 December 2019, the Group has 33 new spas which it plans to operate by 2023.

GALLERY OPERATIONS

The retail arm of Banyan Tree Hotels & Resorts, Banyan Tree Gallery and Angsana Gallery, which complements the Group's resorts, hotels and spas, covers 20 countries in 4 continents and acts as a marketing channel for traditional village crafts handmade in various parts of Asia, such as Cambodia, China, Indonesia, Thailand and Vietnam. As one of the largest retail chains in the hospitality industry, Banyan Tree Gallery's main product categories are craft merchandise and homeware, sustainable apparel and signature bath and body and aromatherapy collections.

Banyan Tree Gallery has also extended its product lines with the launch of its reformulated bath and body and aromatherapy collections, and is actively promoting an omnichannel sales and distribution approach so as to extend the reach and scope of its brands. As at 31 December 2019, the bath and body, and aromatherapy collections currently comprise about 46% of the Group's retail revenue through its combined channels of retail, e-commerce, wholesale and shipment sales. As at 31 December 2019, e-commerce comprises close to 13% of the Group's retail revenue and is its fastest growing channel.

The brand positioning for these products emphasises heritage, natural ingredients and quality, and is primed to take advantage of the predicted growth of conscious consumerism in these areas. In the process of showcasing these local crafts, the livelihoods and skills of these artisans are sustained through gainful employment. Banyan Tree Gallery's flagship store was set up in Banyan Tree Phuket in 1994 with the ethos of a socially responsible tourism retailer. In 2016, Matter Prints, a socially motivated brand of textile wares, was introduced by the Group to reinterpret heritage prints and styles for the modern traveller. Its mission is threefold: to foster designer-artisan collaborations, to inspire consumers to respect provenance, and to champion alternative construction models for textile artisans to improve their financial independence. In that same year, to commemorate the 20th anniversary of Banyan Tree Gallery, the Group also produced a book titled "The Pride of Craft" which pays homage to the artisan committees who have contributed their work over the years.

As at 31 December 2019, the Banyan Tree Group operates 72 retail galleries in 20 countries worldwide.

Awards and Accolades

Banyan Tree Gallery received awards for best natural conditioner and hair serum from Singapore Harper's Bazaar Hair Awards 2019, "Winner for Communication Design – Packaging (Design Mark)" at the Golden Pin Awards 2018, "Best CSR Hotel Retailer" from the 16th China Hotel Golden Horse Awards 2016, "Most CSR Award" from the Spa & Bath Times Awards 2016 (Guangzhou, China), "Best Brightening Cleanser" for its Jasmine Rice Facial Foaming Wash from Singapore Harper's Bazaar's Beauty Awards 2016 and "2012 Thailand Spa & Well-being Awards, Spa Product Category". Banyan Tree Gallery was also honoured by the Pacific Asia Travel Association (PATA) with the "Gold Award for Heritage" in 2003 and "Grand Award for Heritage" in 2004.

CLUB MANAGEMENT

In 2006, the Group capitalised its brand name and launched another milestone product, Banyan Tree Private Collection ("**BTPC's**"). BTPC is a destination club in Asia that offers members access to BTPC's properties in Asia, Europe and the Americas, including villas in Italy and France, and serviced apartments in the United Kingdom and Japan.

FUND MANAGEMENT

To fund future expansion and increase the Group's fee-based income stream, the Group tapped into private equity capital and launched the Banyan Tree Indochina Hospitality Fund in late 2007 and Banyan Tree China Hospitality Fund in 2010. By the final closing in 2009, the Banyan Tree Indochina Hospitality Fund successfully raised US$283 million and by the final closing in January 2011, Banyan Tree China Hospitality Fund successfully raised RMB1 billion. In addition to annual fund management fees, the Group receives fees for design, hotel management, spa/golf/facilities management and royalty fees for the use of the Group's brands in property sales.

The Banyan Tree Indochina Hospitality Fund focuses primarily on the development of hotels, residential properties and golf courses in Vietnam. Banyan Tree Lâng Cô Central Vietnam, Angsana Lâng Cô Central Vietnam and a Nick Faldo championship golf course, clubhouse and central facilities were officially opened in April 2013.

In May 2018, the Banyan Tree Indochina Hospitality Fund successfully obtained a casino licence from the Vietnamese government to add casino operations to the Laguna Lâng Cô integrated resort. With the expansion project scheduled for completion in 2022, coupled with the number of mid-to high-income Vietnamese being anticipated to double in two to three years' time, the Issuer expects demand and arrivals at Laguna Lâng Cô to rise.

The Banyan Tree China Hospitality Fund focuses on the development of hotels and residential properties in China. Banyan Tree Huangshan China and Banyan Tree Yangshuo China were developed by the Banyan Tree China Hospitality Fund. From 2017, the Group's China-owned assets have been injected into BTAC, the 50:50 joint venture between Banyan Tree and Vanke, for the purpose of consolidating the Group's ownership in China. On 2 April 2018, Banyan Tree China Pte. Ltd. and Tritonia Company Limited (a subsidiary of Vanke) jointly acquired all the hotel assets of the Banyan Tree China Hospitality Fund as part of the further integration of the ownership of the Group's hotels and assets held under the Banyan Tree China Hospitality Fund. As a result of this acquisition, the Banyan Tree China Hospitality Fund ceased to exist as a fund.

RESIDENCES AND EXTENDED STAY

The Group believes there is a significant opportunity for growth in its Residences and Extended Stay business segment by unlocking its land bank in Phuket, Thailand. To this end, the Group is embarking on a swift roll out of new projects to generate a sustainable revenue pipeline. Further, the Group has a comprehensive portfolio of products which cater to both primary and vacation home buyers and across all price points from affordable, midscale to upscale and luxury segments. Russia and China are presently the largest markets for the Group's Residences and Extended Stay business segment. Ongoing efforts are continuing to develop and broaden the Group's sales network internationally, particularly in key source markets, but also newly emerging markets such as India and the Middle East.

Hotel Residences

The Group's Residences and Extended Stay business comprises mainly the development and sale of properties as either primary or secondary homes.

The Group's hotel residences segment comprises the sale of hotel villas or suites, which are part of its existing hotel operations, to investors under a leaseback scheme. Investors receive rental returns from the room revenue generated from the operation of their properties under hotel management. In addition, investors enjoy the lifestyle benefits of having a certain entitlement of complimentary usage (normally around 30 days) of their properties throughout the year. The management of hotel residences is under the Banyan Tree, Angsana, Cassia and Dhawa brands. Properties under these brands are available in Indonesia, Mexico, Thailand and Vietnam, while other locations for development include Australia.

The sale of hotel residences allows the Group to generate funds to finance future hotel investments. When it builds hotel residences, such as the Banyan Tree Phuket Pool Villas or Cassia serviced apartments, the Group has the option of selling these properties to third parties (while maintaining the properties as part of the resort's available room inventory). It is at the discretion of the Group to retain ownership interest in the properties subject to market pricing conditions. If ownership interests are retained, this will increase its Hotel Investments revenue.

In addition to hotel residences, the Group offers private-branded residences, which are not part of its hotel operations but which are premium residential properties with services and amenities associated with a hotel. Properties under these brands are currently available in Australia and Thailand.

Laguna Residences and Extended Stay

The Group's Laguna Residences and Extended Stay refer to the sales of apartments, townhomes and bungalows that are generally located within the vicinity of its resorts but are not part of the Group's hotel operations. These properties are purchased as either primary homes or vacation homes. The vast majority of the Group's Laguna property sales have been in Laguna Phuket. Laguna Residences and Extended Stay are also being offered in Vietnam.

Development Project/Site Sales

Development project/site sales relates to pure development land sales or development land sales, which are fully or partially developed with completed infrastructure. The Group has sold development project/sites in China and also has sites available in Thailand, Vietnam and Indonesia. The Group monitors the market value of each development project/site it acquires for potential resort, hotel or property sales development.

Overall Performance of the Residences and Extended Stay segment

For the years ended 31 December 2017, 2018 and 2019, the vast majority of the Group's property sales have been in Laguna Phuket.

For the year ended 31 December 2017, the Group sold 195 properties for a total value of S$137.8 million.

For the year ended 31 December 2018, the Group sold 211 properties for a total value of S$125.6 million.

For the year ended 31 December 2019, the Group sold 337 properties for a total value of S$115.9 million.

The growth in the Group's residence and extended stay business since 2015 has mainly been attributable to a series of successful launches, particularly in Phuket, where Angsana, Banyan Tree, Cassia, Laguna Park and Skypark products have been well received.

The Group continues to expand its portfolio of product offerings, ranging from affordable apartments through to ultra-luxury villas, to cater for demand from various buyer segments.

To enhance the Group's property offerings, complimentary enrollment in "The Sanctuary Club", which offers discounts at the Group's resorts, spas and galleries worldwide, is offered exclusively to the Group's property owners. In addition, hotel residence owners may participate in The Sanctuary Club's exchange programme, which allows them to exchange part of their annual entitlement for complimentary stays at other participating properties.

OTHER BUSINESSES

Design and Project Management

The Group has an experienced in-house division that plans, designs and oversees construction (or conversion) and maintenance for nearly all of its resorts, hotels, spas and galleries. The division seeks to establish aesthetically appealing, distinctive and luxurious properties.

The Group believes these in-house capabilities provide it with several advantages including faster design times and better cost control than if it hired external architects and project managers. Third parties who enlist the Group to manage their resorts and hotels are attracted to its ability to provide an in-house team to supervise construction. In addition, the Group's in-house team allows it to better maintain the quality and consistency of each of its product offerings, which is essential to maintaining the strength of its brands.

For new resorts and hotels, the Group's design and planning division helps to choose each site and designs the entire resort or hotel, including the architecture, engineering and interior design. Once a design is finalised, the Group's Project Services department establishes and monitors a budget for the project, oversees construction and works with resort and hotel managers to procure furniture, fixtures and equipment for the resort or hotel. The Project Services department also supervises all the renovations, alterations and extensions that go on at its resorts and hotels. Soft furnishings are replaced as necessary and each resort and hotel undergoes a major refurbishing after approximately eight years.

Over the years, this approach has garnered numerous international awards. In 2018, Cassia Phuket by Banyan Tree Residences was awarded "*New Hotel Construction & Design* Thailand". In 2017, Banyan Tree Tamouda Bay won the International Hotel & Property Awards for "*Hotel Under 200 Rooms*". In 2016, Banyan Tree Shanghai on the Bund was also awarded the Global Traveller Taste Award for "Best Design Rooms Hotel" in China. In 2013, Banyan Tree Chongqing Beibei clinched the China Best Design Hotel Awards 2013 for "*Best Vacation Hotel*", while Banyan Tree Macau won the SpaChina Awards 2012 for "*Best Spa Design of the Year*".

Golf Clubs

As at 31 December 2019, the Group owns or operates golf clubs in Phuket, Bintan and Lâng Cô. The Laguna Phuket Golf Course is located next to Banyan Tree Phuket and has an 18-hole par 71 golf course, driving range, putting greens, practice bunkers, chipping areas and club house pro shop within its facilities. The Laguna Phuket Golf Course is owned by LRH.

The Laguna Bintan Golf Club is located next to the Group's resorts in Bintan and boasts an 18-hole golf course designed by Greg Norman.

The Laguna Lâng Cô Golf Club is located next to Banyan Tree Indochina Hospitality Fund's resorts in Lâng Cô and boosts an 18-hole championship golf course designed by Nick Faldo.

COMPETITION

The hospitality and leisure industry is highly competitive. At each of its resorts and hotels, the Group competes for guests with other resorts and hotels in the relevant destination. For its resorts, the Group usually does not compete with large scale hotel operators, as most of its resorts have less than 200 rooms and/or villas. Each location also competes with other tourist destinations for visitors.

The spa industry is fragmented. In each location in which the Group operates, it competes mainly with local spa operators.

While the property sales industry is highly competitive, the Group is regarded as an experienced and successful developer which is reputed for delivering quality products with innovative designs. Further, it seeks to differentiate itself with an innovative owners programme including a dedicated after sales service team which can provide property management services for owners. The Group has since established itself as one of the largest and one of the most established property developer in Phuket (Thailand), Bintan (Indonesia) and Lang Co (Vietnam). The Group has gained a strong reputation as a responsible developer whose interests combine hotel and real estate with an emphasis on quality and environmental protection, having received numerous environmental and tourism awards. The Group offers a comprehensive range of hotel managed and private residential properties ranging from apartments, condominiums and townhomes to luxury pool villas at all price points for both investment and lifestyle purposes. These properties are situated in prime locations and the Group's integrated complexes are seen as being in an exclusive location and secured environment with an appealing combination of lifestyle benefits, capital returns and rental yields, backed by professional management services. The Group has a broad range of property buyers and investors mainly from Europe and Asia.

SUSTAINABILITY

With the business philosophy of embracing the environment and empowering the people, the Group has conceptualised its values based on a holistic "for good framework" which is integrated at its properties worldwide. This framework starts with design and construction ("Build for Good"), continues through a guest's time at the Group's hotel and resorts ("Stay for Good, Meet for Good and Eat for Good"), and extends to the Group's supply chain ("Buy for Good") and to the Group's Spa and Gallery outlets across the globe ("Spa for Good" and "Gift for Good"). With this framework, all aspects of the Group's business will seek to have a positive impact on its stakeholders, wherein when guests and clients support the Group, they are also doing good for the communities and ecosystems.

Since the Group's founding, it has integrated socio-cultural and environmental sustainability in business decisions to create long term value for multiple stakeholders and destinations. The Group employs an integrated and participatory approach to minimise impacts while safeguarding and enhancing the human and physical environment. Through careful design, disturbance is minimised and natural landscape protected by retaining open space with the natural environment incorporated in to the development and traditional material use in construction to support local livelihoods as best practice. Stakeholder engagement is an essential part of the Group's governance to guide efforts to mitigate impacts and enhance communities and environments where the Group operates. Sustainability efforts focus on social, environmental and governance, with programmes in three core areas: resource conservation, environmental preservation and empowering communities. Since 2010, the Group has sought to benchmark its sustainable design and sustainable operations against third party certification in accordance with global leading standards. The Group's efforts are framed by a stakeholder inclusive material analysis, and aligned with the United Nations Global Compact and Sustainable Development Goals.

Making a positive impact on the human environment

The Group engages across, and beyond, the service chain to promote societal prosperity and create value for communities where it operates. This is achieved by empowering local communities through job creation, education, supporting artisanal cooperatives, community impact initiatives, humanitarian relief and connecting travellers to local culture and heritage.

Empowering employees via a sustainable workplace is the first step to external engagement and development of sustainable and resilient communities. The Group tries, as far as practicable, to employ native associates in each location in which it operates. Associate satisfaction and welfare is monitored and addressed, and development opportunities through training and transfers to the resorts the Group manages in other locations offer the local workforce a good foundation and

exposure in the global hospitality and leisure industry. Associate development is supported by the Banyan Tree Management Academy and there is a group wide training target of 5 hours of training per full time associate per month.

The business model of Banyan Tree Gallery aims to conserve the culture and heritage of destinations while sustaining artisans' livelihoods and skills through gainful employment also adds to the Group's community development efforts. Its first project was the Yasothorn community in Northern Thailand. Women were given the opportunity to work from home while looking after their children when the Gallery engaged them to produce "Maun" triangular cushions. These cushions were used to furnish the Laguna Phuket resorts and at the same time retailed at Banyan Tree Gallery outlets. Part of the proceeds from the sale of the cushions in the Group's galleries was also used to build the Santhitham Vidhayakhom School that serves the community. As a result of the 2004 tsunami catastrophe, the Group also worked in partnership with various groups to restore housing, livelihoods, and essential needs for the communities which have supported the Group. Since founding, the Gallery has supported 166 communities, with 60 active communities providing 2,028 commissioned products in 2019.

A range of additional efforts have been implemented across the Group to empower education as a pathway out of poverty, and support healthy lives. These efforts are dynamic across the group, with context specific initiatives targeting issues identified by host communities to empower and develop long term sustainability and resilience:

(1) Empowering Education

The Group engages with local schools to provide equipment, infrastructure or support to assist the creation of learning environments. Notable movements include (i) school support and donations to develop learning environments and improve education; (ii) camps and classes to educate and promote safety in children; (iii) the Laguna Phuket Community Centre as a free language training centre converted to support long-term vocational and life skills training and community enrichment; (iv) the Laguna Phuket Kindergarten to provide early childhood education to support emotional and intellectual habits and skills for independent life-long learning; (v) a mobile learning centre to reintroduce reading to local community members who may lack adequate access to books through a mobile classroom; (vi) the Children's First Fund which raised THB0.94 million for food support to nearly 400 Phuket based orphans and under privileged children in 2019; and (vii) workshops, lectures and training to develop local capacity. In 2019, the Group directed funds to support infrastructure and learning environment development at 25 schools in nine countries, benefitting over 4,000 students.

(2) Awareness in Health

The Group supports and engages with communities by (i) promoting and support cultural events and safeguarding cultural heritage; (ii) participating in fundraising events and donation of goods and materials; (iii) supporting community health care particularly for vulnerable segments of the community, including blood donations of over half a million cc's of blood in the past two years; (iv) providing humanitarian aid to those affected by natural calamities. In 2019, the Group supported psychosocial recovery and livelihood development to communities near Palu impacted by the Sulawesi earthquake and tsunami. In 2019, the Group's community programmes engaged almost 60,000 people and our associates volunteered over 28,000 hours of time.

(3) Group-wide: Seedlings

Launched in 2007, Seedlings is a Group-wide initiative to enhance the long term prosperity of communities by building the capacities of young people at risk of societal exclusion. Each of the Group's resorts is challenged to bring in three new young people every two years into a mentorship and scholarship programme where the resort supplements the young person's schooling with mentor guided activities focused on social & cultural heritage, environment & conservation, academic & language skills, plus healthy lifestyles via nutrition and sports. In 2019 the Group grew this initiative, with 35 properties and 107 mentees participating in the programme, and the Group continues to support its Seedlings Café social enterprise in Phuket, which develops young people in the hospitality food and beverage service.

Making a positive impact on the natural environment

In addition to considerations made during design and construction, the Group safeguards the environment and enhances resilience in the face of unprecedented global change by connecting with global climate change and using a science based approach to the conservation of sensitive ecosystems and threatened species. The following highlights how such concerns are addressed:

(1) Resource Conservation

The Group aligns with the World Travel and Tourism Council's (2015) call to connect with global climate action. Since 2010, the conservation of resources (energy, water and waste), the reduction of emissions and the implementation of sustainable operational, social and environmental efforts have been externally assured by EarthCheck, the leading benchmarking certification within the travel and tourism industry. As of 31 December 2019, 85% of the Group's sectors have achieved EarthCheck Bronze Benchmarked or higher and 17 resorts are EarthCheck Gold Certified, with Lijiang achieving the Group's first Platinum certification in 2019. Group initiatives further support the Group's efforts by addressing food and the environment, reduction of single-use plastic, and the scarcity and community access to water as priority issues.

(2) Conservation Projects

The Group implements a tiered and science-based approach to conservation, combining long term environmental monitoring, citizen science and academic studies with projects focusing on increasing awareness and conserving sensitive habitats and species. Utilising the expertise of the Group's Labs, data generated is reported to stakeholders to support local or regional management, and direct the Group's conservation, restoration and awareness programmes. These conservation projects include:

- Annual monitoring of coral reefs in Maldives at 18 sites (in its fifth year) and in Bintan at 6 sites (in its seventh year). These data contribute to the National Coral Reef Monitoring Framework in the Maldives, for which the Group also collaborates with as technical advisors, the National COREMAP project in Indonesia, and the Global Coral Reef Monitoring Network.

- Collaboration with the Ministry of Environment and Energy, Environmental Protection Agency, the Marine Research Centre and the IUCN in 2017 to provide technical guidance, training and assistance monitoring of the coral reefs for the Biosphere assessment. This is in furtherance to the Group's pledge in 2016 to support the establishment of the Maldives as a UNESCO Biosphere Reserve.

- A cost effective long-term monitoring programme for sharks (in its fifth year) which contributes to the National Plan of Action for Shark management in the Maldives, in collaboration with local and international partners.

- Implementation of education programmes through presentations, guest lectures, ecotours, walks and snorkels to connect people to the local environment. In 2019, 25,456 guests joined awareness sessions as the first step towards conservation.

- Annual cleaning initiatives to remediate and cleanse natural communities with a target of four externally beneficial efforts per property per year. In 2019, a total of 47,349 participants from 36 properties took part in the initiatives removing 90 tonnes of trash.

- Following the global coral bleaching event in 2016, the restoration of coral reefs in the Maldives is supported by coral nurseries and transplantation efforts. Restoration efforts also include novel methods such as artificial reefs that use electricity to create "biorock", with the first three created anywhere in the world at Ihuru (1996, 1998) and Vabbinfaru (2001) our resorts in the Maldives.

- Weekly control efforts for the removal of Crown of Thorns Starfish ("COTS") which are one of the major threats to Indo-Pacific coral reefs. As of 31 December 2019, a total of 13,863 COTS have been removed.

(3) Resort based research facilities in Maldives and Indonesia

To support land and marine conservation efforts, the Group opened its first resort based research facility at Vabbinfaru, Maldives in 2004, followed by a marine lab at Angsana Velavaru, Maldives and the Banyan Tree Bintan Conservation Lab in 2007 (collectively, the "**Labs**"). These Labs have hosted expert visits and surveys to study the local environment and better integrate tourism with environmental protection. The Labs also feature awareness raising sessions and hands-on learning experiences for both guests and local school children to foster a wider consideration of the natural environment.

In 2017, a conservation strategy was implemented at the Labs in Maldives with a goal to sustain natural ecosystems and human communities through science based conservation and restoration projects. This strategy frames conservation efforts for key habitats or priority species within global environmental issues which include climate change, changing land use, overexploitation, and invasive species, and can be implemented in any environment to identify and address key conservation issues and engage with stakeholders.

(4) Group-wide: Greening Communities

Launched in 2006, this effort challenged the Group's resorts to plant 2,000 new trees per year with local communities as a means of raising awareness for the causes of climate change as well as steps stakeholders can take to minimise such causes. As of 31 December 2019, over half a million trees (508,612) have been planted worldwide by the Group. As access to space becomes a greater challenge, the Group is exploring partnerships to support reforestation efforts on a larger scale.

Ensuring good governance

The Group's governance approach is prudent, ethical and accountable, with internal and external engagement and participation, external benchmarking and certification, and transparent reporting since 2006. The Group engages with global frameworks for social justice, demonstrating leadership in sustainability as a founding member and signatory of the UN Global Compact in Singapore, upholding the UNWTO Global Code of Ethics and supporting the United Nations Sustainable Development Goals. Collaborations and partnerships within and across industries are key to measurably contributing towards the 2030 Agenda for Sustainable Development. Over the past 20 years, the Group has employed a collaborative approach to deliver conservation goals by engaging with NGOs, academics and universities worldwide.

Business is conducted in accordance with the highest level of ethics and law compliance, following international and local anti-corruption and anti-bribery laws, rules and regulations in countries the Group operates. The Group's Code of Conduct strengthens associates' awareness of good corporate conduct, governs conflicts of interest, freedom from sexual harassment, and the Group hires regardless of race, colour, national origin, gender, sexual orientation, age, disability or religion. The Group promotes diversity and inclusiveness internally and externally. In addition, the Group seeks out opportunities to support local businesses and engage through its supply chain, evangelising good social, environmental and governance practices through a supplier Code of Conduct implemented online in six languages in 2019.

The Green Imperative Fund

In 2001, the Group established the Green Imperative Fund (the "**Fund**") mechanism to expand and formalise its environmental conservation and community development efforts. The Fund provides financial support for environmental initiatives and community based projects in places where the Group has a presence, where the primary beneficiary is external to the Group. The Fund also gives guests an opportunity to support environmental protection and community empowerment efforts. Guests of Banyan Tree resorts and hotels may make a US$2 contribution and guests of Angsana and Cassia resorts and hotels may make a US$1 contribution under an "opt-out" arrangement for each night they spend at the hotel or resort. The Group matches its guests' contributions, dollar for dollar to develop the Fund. As at 31 December 2019, the total amount raised from the Group and its guests was approximately US$12.2 million, with the total amount disbursed being approximately US$7.9 million.

Banyan Tree Global Foundation

Established in 2009, the Sustainability arm of the group, Banyan Tree Global Foundation provides in-house sustainability and Corporate Social Responsibility consultancy services to the Group. By promoting as well as enacting strategies and efforts which consider and seek to enhance the social, environmental and economic well-being of all its stakeholders, Banyan Tree Global Foundation seeks to direct and guide the continual process of the Group's overall commitment to the Sustainability journey. In 2019, the Group implemented more sustainability themed events and initiatives in a single year than ever before (988), with participation by 166,211 people, and 47,299 hours of support volunteered by the Group's associates.

A separate entity specifically formed to house, manage, and administer the funds raised by the Green Imperative Fund mechanism, Banyan Tree Global Foundation provides an even greater level of assurance to contributing guests that such funds will create social and/or environmental benefits for the communities in which Banyan Tree has a presence and where the primary beneficiary is external to the Group.

PROPERTIES AND FIXED ASSETS

The Group has ownership interests in several properties where its resorts, hotels, spas, galleries and offices are located. The Group owns properties in several countries including Maldives, Morocco, Singapore and Thailand. The Group also leases properties for some of its operations, such as in Indonesia, Maldives, Mexico, South Africa, Sri Lanka and Thailand.

EMPLOYEES

The Group sets high standards for all employees employed at its resorts, hotels, spas and galleries to maintain the service standards of its businesses. As the Group's guests are predominantly international, fluency in English (and in certain circumstances, other languages) is essential for all employees who come into contact with its guests at its resorts, hotels, spas and galleries. All the Group's employees undergo on-the-job training with experienced supervisors.

APPLICABLE LAWS AND REGULATIONS

Due to the nature of the Group's business, it is subject to the applicable national and local government regulations in the locations in which it operates, including those relating to the relevant licensing requirements in relation to resorts, hotels and spas, the preparation and sale of food and beverages (such as health and liquor licence laws) and environmental, general building and zoning requirements. The Group is also subject to laws governing its relationship with its employees, including minimum wage, overtime, worker's compensation claims, working conditions and work permit requirements.

For the resorts, hotels and spas the Group leases or in which it has an ownership interest, the Group is responsible for all costs, expenses and liabilities incurred in connection with its ownership of the properties, including the costs of complying with applicable laws and regulations. In most instances, it is the owner of a resort or hotel which must apply for a licence to operate the resort, hotel or spa. The relevant licensing body, which regulates the issue of licences for the Group's resorts and hotels in Thailand, is the local authority under the supervision of the Ministry of Interior in Thailand. Please refer to "Risk Factors – Risks Relating to General Economic and Political Conditions – The Group has operations in various jurisdictions in which the legal and regulatory regimes may be uncertain and in which it has no or little experience".

The Group has entered into leases for the operation of its spas in various jurisdictions. In some of these jurisdictions, the leases may be required to be registered with the relevant authorities in order for the Group's rights to be fully protected. Where registration is required, the Group has and will register the relevant leases.

Where the Group manages a hotel, resort or spa under a management agreement, the owner is generally responsible for all costs, expenses and liabilities incurred in connection with operating the property, including complying with applicable government regulations. However, as manager, the Group may also be responsible for certain liabilities, including workers' compensation claims and environmental liabilities, in connection with the managed resorts, hotels or spas.

QUALITY CONTROL

Maintaining the highest standards of quality at the Group's resorts, hotels, spas and galleries is important to the success of its business. To this end, the Group has extensive controls in the area of audit and standards primarily through the following means:

- Internal Audit: This function ensures good governance and compliance in internal processes particularly in the areas of finance.

- Brand Assurance and Quality and Compliance ("**QAC**"): These functions are internal audits conducted annually by experienced internal operators, with follow-up actions monitored by QAC personnel.

- Quality and Self Audit: Departmental self audits governed by Corporate functions ensure ongoing operations are continuously improving and defects are addressed in a timely manner.

- Third Party Mystery Shopper Programme: These annual audits are conducted by verified external industry auditors which enable benchmarking within a competitive set.

- Customer Feedback Tools: The Group employs social listening tools such as Revinate to monitor online reputation, as well as post stay surveys to measure net promoter scores[5]

- Balance Score Card: This is a group wide performance management system that moderates individual appraisals as well as bonus and incentive allocation in line with financial and non-financial indicators such as scores of quality and customer satisfaction scores as per above.

Lastly, in recognising that ensuring quality requires ongoing investment, the Group devotes considerable resources to training and continuously maintains an internal pool of talent of brand auditors and ambassadors that are mobilised for taskforce missions to sister properties and pre-openings. BTMA carries out several training programmes across all job grades, and in the Banyan Tree Spa Academy, all therapists undergo extensive theoretical and practical training of over 650 hours based on Banyan Tree Spa Academy's stringent curriculum before commencing work at one of the Group's spas.

INSURANCE

The Group has insurance policies to cover loss or damage suffered through, *inter alia*, legal and contractual liabilities, property damage, business interruption, business travel and general liabilities. The Group has general insurance for worker's compensation and also maintains directors' and officers' legal liability insurances. The Group believes it has insurance coverage with limits appropriate for a group of its size and with activities in the resort and spa ownership, property development and management business. Please refer to the risk factors titled "A fire, accident or other calamity at one of the Group's resorts, hotels and/or serviced residences could adversely affect the Group's business and operations" and "The Group's insurance policies do not cover all operating risks".

PROPERTY TAX

Property tax is a tax on immovable properties. The amount of tax payable on the properties the Group owns is different in each of the locations in which it owns property. For the years ended 31 December 2017, 2018 and 2019, the Group incurred an aggregate of S$2.7 million, S$2.0 million and S$2.2 million in property tax, respectively.

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[5] Net promoter score refers to the score that is derived from post stay surveys on whether past guests will recommend a stay at the hotel to others.

LITIGATION

On 11 February 2010, Banyan Tree Hotels and Resorts Pte. Ltd. (formerly known as Banyan Tree Corporate Pte. Ltd.) ("**BTHR**") initiated arbitration proceedings in the Dubai International Arbitration Centre against Meydan City Corporation, Meydan Group LLC and Meydan LLC ("**Meydan**") for breaches of a hotel management agreement and wrongful termination of the hotel management agreement. In the same arbitration proceeding, Meydan filed a counterclaim against BTHR for breaches of the hotel management agreement, which it later abandoned. On 2 October 2013, the arbitrator awarded BTHR damages from Meydan of US$19,163,012 in compensation of the losses deriving from the wrongful termination of the hotel management agreement, S$49,530.18 as reimbursement of expenses pursuant to the hotel management agreement and ordered Meydan to bear the entirety of the administrative and tribunal costs of the arbitration in the amount of AED644,000.

The Group commenced execution proceedings by successfully seeking recognition and enforcement of the arbitration award in the Courts of the Dubai International Financial Centre ("**DIFC**"). The order of the DIFC Courts recognising and enforcing the award was issued on 8 April 2015 and this was then successfully enforced as an order in the local Dubai Courts. In March 2016, execution proceedings were commenced against Meydan in the execution division of the local Dubai Courts. Meanwhile, on 23 November 2014, Meydan applied to annul the arbitration award in the local Dubai Courts.

In March 2016, Meydan issued applications to the Union Supreme Court ("**USC**"), on the basis of a jurisdictional conflict between the Courts of the DIFC and the local Dubai Courts, stating that only the local Dubai Courts have jurisdiction to recognise and enforce the award. On 8 December 2016, on the basis of the applications before it, the USC issued a stay of all relevant proceedings, so the annulment proceedings (which were before the Dubai Court of Appeal) and the execution proceedings (which were before the execution division of the Dubai Courts) are stayed and the stay has not been lifted. On 26 April 2018 the USC dismissed the cases brought by Meydan, on the basis that it lacked jurisdiction and it suggested that Meydan should file the same claim before the Judicial Tribunal concerning the Dubai Courts and the DIFC Courts.

The proceedings in respect of all pending matters between BTHR and Meydan have to be heard by the Judicial Committee set up to resolve the Meydan cases. The Group has submitted a memorandum for the damages claim and submissions for the remaining claims in December 2019 and Meydan has filed its responses to the memorandum and submissions on 20 January 2020. Meydan filed its submission on 2 March 2020 and the Group is in the process of preparing responses to Meydan's submissions and the next hearing is scheduled for 22 March 2020.

DIRECTORS AND MANAGEMENT

DIRECTORS

The Issuer's board of directors is entrusted with the responsibility for the Group's overall management and direction. The board meets on a quarterly basis, or more frequently as required, to review and monitor the Group's financial position and operations.

The following table sets forth information as at 31 December 2019 regarding the Issuer's directors:

DIRECTORS

Name	Designation
Ho KwonPing	Executive Chairman
Ariel P Vera	Non-Executive & Non-Independent Director
Chia Chee Ming Timothy	Lead Independent Director
Fang Ai Lian	Independent Director
Chan Heng Wing	Independent Director
Tham Kui Seng	Independent Director
Lim Tse Ghow Olivier	Independent Director
Karen Tay Koh	Independent Director
Zhang Xu	Non-Executive & Non-Independent Director
Gaurav Bhushan	Non-Executive & Non-Independent Director
Chew Van Hoong Jason	Non-Executive & Non-Independent Director
ALTERNATE DIRECTOR	
Mohamed Al-Hashmi	Alternate Director (Alternate to Chew Van Hoong Jason)

None of the Issuer's directors and executive officers are related to each other, except that Ms Chiang See Ngoh Claire (spouse), Mr Ho KwonCjan (brother) and Ms Ho Ren Yung (daughter) are immediate family members of the Executive Chairman, Mr Ho KwonPing.

The founder of the Group, **Mr Ho KwonPing** is responsible for its overall management and operations. He has been a Director since 5 July 2000. He was designated Executive Chairman on 1 March 2004 and was last re-elected on 24 April 2019. Mr Ho is also Chairman of Laguna Resorts & Hotels Public Company Limited, Thai Wah Public Company Limited and the Board of Trustees of Singapore Management University. He is a non-executive Director of Diageo Plc. Mr Ho holds a Bachelor of Arts (Economics) from the University of Singapore, an Honorary Doctorate of Business Administration in Hospitality Management from Johnson & Wales University, USA, and an Honorary Doctorate of Business Administration from the Hong Kong Polytechnic University.

Mr Ariel P Vera was appointed Director on 11 April 2000 and served as Group Managing Director from 1 March 2004 up to his retirement on 31 December 2013. He remains as a Non-Executive and Non-Independent Director. He was last re-elected on 26 April 2018. Mr Vera is also a Director of Laguna Resorts & Hotels Public Company Limited and Thai Wah Public Company Limited. Prior to joining the Group, he was Director of Finance and Administration of Asian Resorts Pte. Ltd. from 1992 to 1995, and Vice President, Finance, of Tropical Resorts Limited from 1995 to 1997. He has over 30 years of experience in the hotel industry. A Certified Public Accountant in the Philippines, Mr Vera holds a Bachelor of Science in Business Administration from the University of the East, Philippines, and a Master of Business Administration from the National University of Singapore.

Mr Chia Chee Ming Timothy has been a Director since 8 June 2001, and became Lead Independent Director on 28 February 2007. He is Chairman of the Nominating & Remuneration Committee and was last re-elected on 26 April 2018. Mr Chia is Chairman of Hup Soon Global Corporation Private Limited and Innoven Capital Pte Ltd. He sits on the boards of several other private and public companies, including Fraser and Neave, Limited, The Straits Trading Company Limited, Singapore Power Limited, Vertex Venture Holdings Ltd, Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC and Malaysia Smelting Corporation Berhad. He is a member of the Singapore Indian Development Association (SINDA), an Advisory Council Member of the ASEAN Business Club and a member of the Advisory Board of the Asian Civilisations Museum. From 1986 to 2004, he was a Director of PAMA Group where he was responsible for private equity investments and served as President from 1995 to 2004. He was previously a member of the Board of Trustees of the Singapore Management University. Mr Chia holds a Bachelor of Science cum laude, majoring in Management, from the Fairleigh Dickinson University, USA.

Mrs Fang Ai Lian was appointed an Independent Director and Chairman of the Audit & Risk Committee on 1 May 2008 and was last re-elected on 24 April 2019. Mrs Fang is a Director of Metro Holdings Ltd, Singapore Post Limited, Jubilant Pharma Limited, QBE Asia Advisory Board and Cromwell EREIT Management Pte Ltd. She is also Advisor to the Far East Organization. In addition to serving as Chairman of the Board of Trustees of the Singapore Business Federation and the Medishield Life Council, she is a member of ToteBoard (Singapore Totalisator Board). Mrs Fang was the Chairman of Great Eastern Holdings Limited and its insurance subsidiaries as well as a Director of OCBC Bank until her retirement in April 2014. Prior to that, she was with Ernst & Young for over 30 years until her retirement in March 2008. She was appointed Managing Partner in 1996 and Chairman in 2005. Her past directorships include Singapore Telecommunications Limited and MediaCorp Pte Ltd. She also sat on the Board of Trustees of the Singapore University of Technology and Design. Mrs Fang qualified as a Chartered Accountant in England. She is a Fellow of both the Institute of Chartered Accountants in England and Wales and the Institute of Singapore Chartered Accountants.

Mr Chan Heng Wing became an Independent Director on 1 June 2012 and was last re-elected on 24 April 2019. He is a member of the Nominating & Remuneration Committee. Mr Chan is the Non-Resident Ambassador of Singapore to the Republic of Austria. He is a Director of Frasers Property Limited, Fraser and Neave, Limited, EC World REIT, One Bangkok Holdings Company Limited which is the developer of the major mixed use development in central Bangkok, as well as Precious Treasure Pte Ltd and Precious Quay Pte Ltd which own the Fullerton Heritage and Fullerton Bay Hotels respectively. He is also the Senior Advisor to the Milken Institute Asia Center and an Executive Board member of the China Cultural Centre. He was previously Non-Resident High Commissioner of Singapore to Bangladesh. He was also Press Secretary to Prime Minister Goh Chok Tong and Director of the Media Division in the Ministry of Information and the Arts. He served at the Permanent Mission to the United Nations in New York and as Consul-General to Hong Kong, Ambassador to Thailand and Consul-General to Shanghai. He later joined Temasek Holdings as Chief Representative in China and Managing Director for International Relations in Temasek International. Mr Chan holds a Bachelor of Arts (Honours) and a Master of Arts from the University of Singapore, and a Master of Science in Journalism from Columbia University, USA.

Mr Tham Kui Seng was appointed an Independent Director on 1 June 2012 and was last re-elected on 21 April 2017. He is a member of the Audit & Risk Committee. Mr Tham is a Director of Sembcorp Industries Ltd, Sembcorp Properties Pte. Ltd. and Avanda Investment Management Pte. Ltd. From 2002 to 2008, he was the Chief Corporate Officer of CapitaLand Limited, overseeing the corporate services functions of the real estate group. He also previously served as Director of GLP Pte. Ltd., The Straits Trading Company Limited, Sembcorp Design and Construction Pte. Ltd. and Straits Real Estate Pte. Ltd. and as a Corporate Advisor for Temasek International Advisors Pte. Ltd as well as a board member of Singapore Land Authority. Mr Tham holds a Bachelor of Arts (First Class Honours) in Natural Science – Engineering Science from the University of Oxford, UK.

Mr Lim Tse Ghow Olivier was appointed an Independent Director on 13 November 2014 and was last re-elected on 21 April 2017. He is a member of the Nominating & Remuneration Committee. Mr Lim is Chairman of Certis CISCO Security Pte. Ltd., Frasers Property Australia Pty Ltd, PropertyGuru Limited and a Director of DBS Group Holdings Ltd, Raffles Medical Group Ltd and Northlight School. He is also a member of the Board of JTC Corporation and the Board of Trustees of the Singapore Management University. He serves on the Securities Industry Council. Mr Lim worked at CapitaLand Limited from 2003 to 2014, serving as Group Deputy Chief Executive Officer, Group Chief Investment Officer and Group Chief Financial Officer. Between 1989 and 2003, he worked at Citibank Singapore in various roles in the corporate and investment banking units, including as Head of the Real Estate Unit. Mr Lim previously served as Chairman of globalORE Pte Ltd. Mr Lim holds a Bachelor of Engineering (First Class Honours) in Civil Engineering from Imperial College London, UK.

Mrs Karen Tay Koh was appointed an Independent Director on 31 May 2019 and is a member of the Audit & Risk Committee. She is a Director of BC Platforms AG, Switzerland, Singapore Deposit Insurance Corporation Ltd and The Red Pencil Singapore. She is a member of the Advisory Board, Centre for Emerging Markets, D'Amore-McKim School of Business, Northeastern University, USA, and a Senior Advisor to TVM Capital Healthcare Partners. Mrs Koh was CEO and Executive Director of IP Investment Management, Singapore, from 2016 to 2018. She has extensive experience in both private and public sector organisations, particularly in finance, healthcare and education. From 2001 to 2008, she was Deputy CEO of SingHealth and concurrently Deputy CEO of Singapore General Hospital from 2003. She started her career at the Singapore Ministry of Finance, which included postings at the Inland Revenue and the Monetary Authority of Singapore. Mrs Koh previously served as a Director of Singapore EDB Investments, Falck, Denmark and a Corporator of Northeastern University, USA. Mrs Koh holds a Bachelor of Arts (Honours) in Economics from Cambridge University and a Master of Public Administration and International Tax Program (Certificate) from Harvard University.

Mr Zhang Xu was appointed Director on 27 September 2017 and was last re-elected on 26 April 2018. Mr Zhang is Executive Vice President and Chief Operations Officer of China Vanke Co., Ltd. and an Executive Director of Vanke Property (Overseas) Limited. He joined China Overseas Group in 1995 and China Vanke Co., Ltd. in 2002. He served as the General Manager of Wuhan Vanke Real Estate Co. Ltd. before becoming the Vice President of China Vanke Co., Ltd in 2012. Mr Zhang holds a Bachelor of Industrial and Civil Architecture from Hefei Industrial University, China, and a Master of Business Administration degree from Troy State University, USA.

Mr Gaurav Bhushan was appointed Director on 30 December 2017 and was last re-elected on 26 April 2018. Mr Bhushan is the Global Chief Development Officer of AccorHotels. He began his career with AccorHotels in 1995 in Australia, where he held various posts in operations and finance. From 2006, he headed AccorHotels' Asia Pacific development teams. He was appointed to the Global Chief Development Officer role in July 2015 and joined AccorHotels' executive committee on 1 January 2017. Mr Bhushan holds a Master of Business Administration from the Royal Melbourne Institute of Technology (RMIT University) and a Postgraduate Diploma in Applied Finance & Investments from the Securities Institute of Australia.

Mr Chew Van Hoong Jason was appointed Director on 5 June 2018 and was last re-elected on 24 April 2019. Mr Chew is the Co-Head of Real Estate at the Qatar Investment Authority. From 2007 to 2013, he was the Chief Investment Officer for Asia and Managing Director for Greater China with Prudential Real Estate Investors. From 1999 to 2006, Mr Chew worked at CapitaLand as the Country Director for Japan. Mr Chew is a Chartered Financial Analyst and holds a Bachelor of Engineering (First Class Honours) from the National Defense Academy, Japan.

Mr Mohamed Al-Hashmi was appointed Alternate Director to Mr Chew on 5 June 2018. Mr Mohamed is an Associate Director at Qatar Investment Authority, focusing primarily on Post-Acquisition Asset Management in the real estate sector. He graduated from Qatar University with a major degree in Finance and a minor degree in Marketing.

EXECUTIVE OFFICERS

The Executive Officers, together with the Executive Directors, are responsible for the Group's day-to-day management and operations.

The following table sets forth information as at 31 December 2019 regarding the Executive Officers:

Name	Designation
Claire Chiang	Senior Vice President, Banyan Tree Holdings Chairperson, China Business Development Chairperson, Banyan Tree Global Foundation Executive Director, Banyan Tree Gallery
Ho KwonCjan	Senior Vice President Group Chief Designer
Eddy See Hock Lye	President Group Managing Director
Shankar Chandran	Executive Vice President, Group Business Performance, Banyan Tree Holdings Managing Director, Laguna Resorts & Hotels PLC

Name	Designation
Dharmali Kusumadi	Senior Vice President Managing Director, ARCHITRAVE
Stuart Reading	Senior Vice President, Group Property Development
Alan Chin	Senior Vice President, Banyan Tree Holdings Managing Director, Banyan Tree (China)
Cindy Lee	Senior Vice President Managing Director, Group Project Services
Rosalynn Tay	Senior Vice President, Head of Growth and Demand
Ho Ren Yung	Vice President, Brand HQ
Philip Lim	Vice President and Regional Head, Hotel Operations
Shelly Yeo	Vice President, Corporate Finance Company Secretary
Hokan Limin	Vice President, Hotel Finance
Kuan Chiet	Vice President, Leasing
Sachiko Shiina	Vice President (Japan and South Korea)
Gavin Herholdt	Vice President, Managing Director, Laguna Lâng Cô, Vietnam (LLC)
Carolyn Zhang	Vice President, Corporate (China)
Peter Wang	Vice President, Business Development and Projects (China)
Henry Ngai	Vice President, Chief Financial Officer (China)
Anthony Loh	Vice President, Resort Services, Laguna Resorts & Hotels PLC
Bobby Ong	Vice President Head of Growth
Jonathan Ye	Vice President Head of Demand

Information on the business and working experience of the other Executive Officers is set out below:

Claire Chiang

Senior Vice President, Banyan Tree Holdings
Chairperson, China Business Development
Chairperson, Banyan Tree Global Foundation
Executive Director, Banyan Tree Gallery

Ms Chiang co-founded Banyan Tree Hotels & Resorts and pioneered the Group's retail business. She focuses on the acquisition of new management contracts in China. She also oversees strategic issues in organisational and human capital capability, and is responsible for guiding the Group's corporate social responsibility commitments.

Ms Chiang was appointed Justice of the Peace in 2008. She received the Public Service Medal in 2008 and the Public Service Star BBM in 2014. Her numerous awards for women's advocacy include most recently Asia's Top Sustainability Superwomen Award in 2018 and the Outstanding Women Award by Shanghai Daily in 2019. She was inducted into the Singapore Women's Hall of Fame in 2018. Ms Chiang is married to Group Executive Chairman, Mr Ho KwonPing, with whom she received the Hospitality Lifetime Achievement Award at the China Hotel Investment Summit 2009.

Ms Chiang holds directorships in three Group subsidiaries and affiliated companies and four family holding companies. She is also a director of the Wildlife Reserves Singapore Conservation Fund, Mandai Park Holdings, Denmark-based ISS A/S and Switzerland-based Dufry AG. In 2018, she was appointed Advisory Committee Member for both Guilin Tourism University and the School of Hotel and Tourism Management, The Hong Kong Polytechnic University. Ms Chiang holds a Bachelor of Arts (Honours) from the National University of Singapore and a Master's degree in Philosophy from the University of Hong Kong.

Ho KwonCjan

Senior Vice President
Group Chief Designer

Mr Ho is the Senior Designer involved in overseeing design and project teams in the architectural subsidiary of the Group. He has also been a Director of Laguna Resorts & Hotels Public Company Limited (LRH) since 2012. Prior to 2005, he was Joint Managing Director of LRH, a position he held from 1998. Mr Ho served as Vice Chairman of Thai Wah Public Company Limited in Thailand from 1997 to 2003. From 1996 to 1998, he was the Managing Director of Thai Wah Resorts Development Public Co., Ltd and its Project Manager from 1985 to 1992. Before this, he worked at the architecture firm, Akitek Tenggara, in Singapore. Mr Ho is a recipient of the Singapore Institute of Architects Gold Medal. He holds a Bachelor of Architecture (Honours) from the National University of Singapore and has been registered with the Singapore Board of Architects since 1986. Mr Ho is the brother of the Executive Chairman, Mr Ho KwonPing.

Eddy See Hock Lye

President
Group Managing Director

Appointed as President and Group Managing Director, Mr. See oversees the Group's Operations and is responsible for providing strong leadership for the company by working with the board and other executives to execute short and long-term goals, plans and strategies to drive business performance. Mr. See has also served as a member of the Board of LRH since 2012. Before joining the Group in 2004, he was the Managing Director of Asia Business Forum from 2002 to 2004 and its Chief Financial Officer from 2001 to 2004. From 1996 to 2001, he was the Group Financial Controller of Amara Holdings Limited. He was also the General Director of Amara Hotel Saigon Company Ltd, which operated Amara Hotel in Ho Chi Minh City, from 1998 to 2001. Prior to that, he was with Ernst & Young for nearly a decade, spending his last four years there as Audit Manager.

Mr See holds a Bachelor of Commerce from the University of Auckland and is an Associate Chartered Accountant, New Zealand.

Shankar Chandran

Executive Vice President, Group Business Performance, Banyan Tree Holdings Limited
Managing Director, Laguna Resorts & Hotels PLC

Mr Chandran has overseen Banyan Tree Spa since 2005, growing the business to more than 60 spas worldwide. Appointed to the Board of LRH in 2012, he officially became Managing Director of LRH in 2014. In 2015, Mr Chandran assumed the additional role of Managing Director, Owned Hotels, for the Banyan Tree Group. Fourteen hotels directly report to him as the Owner's Representative, on matters of hotel management, operational and owner's matters. Since July 2019, Mr Chandran has also spearheaded the business initiatives, strategic planning and delivery of the Group's hotels worldwide. Prior to joining the Group in 1997, he was the Financial Controller and Deputy General Manager of Regent Plaza, London, and Regional Internal Auditor/Financial Controller of Hilton International Hotels, UK. Mr Chandran holds a Postgraduate Diploma in Management Studies from Kingston University (London) and a Higher National Diploma in Finance from South West London College, UK.

Dharmali Kusumadi

Senior Vice President
Managing Director,
ARCHITRAVE

Mr Kusumadi oversees the architectural, projects and business development functions within the Banyan Tree Group, where he is solely responsible for the design and technical advisory services, project development and business development activities outside of China. He was appointed to his current position in January 2010. Having been with the Group since 1991, Mr Kusumadi has helped to create numerous iconic and award-winning architectural and interior designs which are hallmarks of Banyan Tree and Angsana hotels and resorts. He holds a Master of Architecture from Parahyangan Catholic University, Bandung, Indonesia.

Stuart Reading

Senior Vice President
Group Property Development

Mr Reading assumed his current role in 2014 and oversees Residences and Extended Stay, which is a core business for the Group. He was previously Vice President, Chief Financial Officer for LRH and Deputy Managing Director, LRH. Mr Reading has also served on the Board of LRH since 2006. He joined LRH in 2002 as Assistant Vice President, Finance & Administration, responsible for the property sales and holiday club businesses finance function. Prior to joining the Group, he spent more than 10 years with PricewaterhouseCoopers in Australia and Papua New Guinea. From 1999 to 2002, he was a Director in the Assurance and Business Advisory Services division in Sydney. He is a member of the Institute of Chartered Accountants in Australia and holds a Bachelor of Business degree in Accounting from the University of Western Sydney, Australia.

Alan Chin

Senior Vice President, Banyan Tree Holdings
Managing Director, Banyan Tree (China)

Mr Chin is the Managing Director of the Banyan Tree Group of Companies in China, in joint venture with China Vanke. He assumed his current role in July 2017. Mr Chin joined Banyan Tree in 2010 as General Manager, Wenjiang Company, and Director, Special Projects. In 2015, he was promoted to Vice President overseeing the China property development, where he was responsible for the performance of all property projects and sales in China, while serving as Managing Director for the Banyan Tree China Fund. Mr Chin has a track record of over 20 years in hospitality and real estate, including experience in property development, consultancy and private equity. Prior to joining the Group, he held various senior positions at the China Hospitality Fund by RREEF and H&Q AP from 2008 to 2010, and with AccorHotels Group from 2002 to 2008. Mr Chin graduated from Beijing University of Technology with a Bachelor of Arts in Civil Engineering.

Cindy Lee

Senior Vice President
Managing Director,
Group Project Services

Ms Lee joined Banyan Tree in 2001 as a Cost Manager and was promoted to Senior Vice President in 2018. She oversees the development of all new projects by the Banyan Tree Group, with a focus on governance of project and procurement processes as the Group's footprint expands. She has 30 years of experience in the construction and real estate industry, having practised in both the public and private sectors. Ms Lee holds a Bachelor of Science (Building) and a Graduate Certificate in Real Estate Finance, both from the National University of Singapore.

Rosalynn Tay

Senior Vice President,
Head of Growth and Demand

Ms Tay drives the Group's multi-brand growth strategy while charting customer engagement across current and new digital channels. She is responsible for defining the Group's strategic approach to sales, marketing, distribution and channel management. She was appointed to her current role in November 2019. Ms Tay has extensive geographical and multi-industry experience, with a 28-year track record in transformational work and leadership. She was most recently Dentsu Aegis Network Country Head and Dentsu CEO. Before joining Dentsu, she was Managing Director and Head of Marketing for Consumer Banking at DBS Bank. Prior to that, she was Managing Director of Tiger Airways Singapore and was part of the management team that was instrumental in taking the airline public. For her commercial acumen, effective change management and ability to build high-performing team cultures, she received Campaign Asia's SEA Agency Head of the Year 2017 and Campaign Asia's Women Leading Change Awards – Business Leader 2017. She was on the Board of Directors for Singapore Cruise Centre between 2017 and 2019 and is currently a member of the Singapore Institute of Directors. She also sits on the MINDEF Advisory Panel for Strategic Communications. Ms Tay holds a Bachelor of Business Administration in Marketing from the National University of Singapore. She also completed the Global CEO Program, delivered jointly by the China Europe International Business School, The Wharton School of the University of Pennsylvania and IESE Business School.

Ho Ren Yung

Vice President,
Brand HQ

Ms Ho leads Brand HQ, a cross-functional unit responsible for defining and aligning all brand standards and strategy within the Group. These encompass customer experience, culture and development, communications and assurance. She has led the unit since its inception in 2018. Ms Ho joined the Banyan Tree Group in 2009, working across corporate Hotel Operations spanning pre-opening, project management, business development and operational standards. She began to oversee the Spa and Gallery business units in 2017. Ms Ho holds a Bachelor of Science in Sociology and Economic Development from the London School of Economics, and a Certificate in Accounting and Finance from the National University of Singapore. She is the daughter of the Executive Chairman, Mr Ho KwonPing.

Philip Lim

Vice President and Regional Head,
Hotel Operations

Since being appointed to his current position in January 2019, Mr Lim has overseen the Group's hotel openings and hotel operations in key regions worldwide. He joined the Group as General Manager of Banyan Tree Sanya in 2010, and subsequently became the Director of Business and Project Development, China, in 2013. In 2015, he was promoted to Assistant Vice President for China Hotel Operations and Business Development. With the Group's expansion in China, he became Vice President for China Hotel Operations in 2016. Mr Lim was previously General Manager with the Marco Polo Hotel Group in Hong Kong and has more than 26 years' hospitality experience in Asia including Singapore, Hong Kong, Taiwan and mainland China. He has a Master's degree in Business from the University of Newcastle, Australia, and received his hospitality education at The Blue Mountains International Hotel Management School, Australia, and International Hotel and Tourism Training Institute, Switzerland.

Shelly Yeo

Vice President, Corporate Finance
Company Secretary

Ms Yeo plays a key role in the overall running of the Finance Department in the Corporate Head Office and in maintaining statutory compliance of the Group. She also supports the Group's expansion in entity structuring, tax compliance requirements, audit and accounts reporting. She became Vice President of Corporate Finance in January 2012 and was appointed Company Secretary of Banyan Tree Holdings Limited in February 2019. Prior to joining the Group in 2001, Ms Yeo worked with several companies listed on the Singapore Stock Exchange including Cerebos Pacific Limited and Leeden Limited. She graduated from the National University of Singapore with a Bachelor of Accountancy and is a member of the Institute of Chartered Accountants Singapore.

Hokan Limin

Vice President, Hotel Finance

As Vice President of Hotel Finance since January 2008, Mr Limin is in charge of monitoring hotel performance and implementing policies and procedures. His main responsibilities are hotel finance, compliance, operational analysis and operational audit. He also supervises Zero-based Budgeting. Prior to joining the Group in 1999, Mr Limin worked at hotel investment companies in Indonesia and several five-star resort chains including Hyatt, InterContinental and Shangri-La. He holds a Bachelor of Finance and Accountancy from Trisakti University, Jakarta, Indonesia.

Kuan Chiet

Vice President, Leasing

Since October 2019, Mr Kuan has spearheaded the leasing of all non-hotel managed vacation homes and residential homes developed by LRH. Prior to this, Mr Kuan was Group Chief Financial Officer and oversaw corporate finance, legal, human resources, corporate secretariat, strategic planning and investment, risk and internal audit and corporate communications. He has previously held senior roles in LRH and continues to be the Executive Director of Thai Wah Plaza Ltd. He was formerly the Financial Controller of Thai Wah Plc and served on the board of Thai Wah Food Products Plc. Mr Kuan graduated from the National University of Singapore with a Bachelor of Business Administration.

Sachiko Shiina

Vice President (Japan and South Korea)

Since October 2007, Ms Shiina has been responsible for sales and marketing activities for Japan and South Korea. She also leads, coordinates and supervises the overall operational and business development activities for the Group in Japan. Ms Shiina joined the Group in 1995 as Sales and Marketing Manager of the Group Sales Agent in Japan. In 2000, she became Director of Sales, Japan, and was promoted to Assistant Vice President, Sales & Business Development in 2006.

Gavin Herholdt

Vice President
Managing Director, Laguna Lăng Cô, Vietnam (LLC)

Mr Herholdt is responsible for the overall performance of Laguna Lăng Co, which includes formulating and implementing strategies to improve profitability and brand value, attracting new investors, managing shared services, overseeing and promoting LLC Residences and Extended Stay as well as project development. He assumed his current role in March 2016. Mr Herholdt was previously Chief Operating Officer and General Manager, Corporate Services, at Hamilton Island Resort, Australia. He had been responsible for running Hamilton Island operationally and financially since 1996, and for 20 years was instrumental in turning the resort around from a loss-making to a highly profitable integrated resort. Prior to joining Hamilton Island, he was with the accounting firm Coopers & Lybrand from 1986 to 1996, and had worked with them in Canada, the UK and Australia. Mr Herholdt is a Chartered Accountant by training. He obtained his Bachelor of Commerce from the University of Queensland, Australia.

Carolyn Zhang

Vice President, Corporate (China)

Ms Zhang was promoted to her current designation in August 2015. She plays a key role as the Group's principal representative in China and as the liaison between the Group's China joint venture and its partner the Vanke Group. She also provides oversight and support of the Group's functional committees in China and of the day-to-day operations of the Group's subsidiary in China. Prior to joining the Group in 2002, Ms Zhang worked for several well-known international conglomerates including Siemens and Thakral. She graduated with a Bachelor of Accountancy from Fudan University, China, and is a member of the Certified Accountants of China.

Peter Wang

Vice President, Business Development and Projects (China)

Mr Wang has been Vice President, Business Development and Projects, China, since July 2017. He oversees the development, design and construction of all projects by Banyan Tree China. Mr Wang joined the Group in 1994 as General Manager of Architrave China. He has 30 years of experience in the design and construction industry, having practised in many renowned architectural firms. He graduated from Tongji University, China, majoring in Landscaping Architecture, and has a Master of Architecture from Toyohashi University of Technology, Japan.

Henry Ngai

Vice President, Chief Financial Officer (China)

Mr Ngai was appointed Chief Financial Officer and Vice President – Corporate Finance of Banyan Tree China Hotel Management Company and Banyan Tree China Hotel Assets Company in 2018. He is responsible for accounting, finance, treasury, debt management, information technology, legal and company secretarial services. Before joining the Group, Mr Ngai was a partner at KPMG China with over 15 years' experience in providing tax and business advisory services to multinational companies, which include assisting the development and implementation of tax-efficient holding and operational structures for their investments in China. He was also the partner-in-charge of learning and development of the tax practice in KPMG China from 2014 to 2016. Mr Ngai holds a Bachelor of Accountancy from The Hong Kong Polytechnic University, and is a member of the Hong Kong Institute of Certified Public Accountants.

Anthony Loh

Vice President, Resort Services, Laguna Resorts & Hotels PLC

Mr Loh is responsible for corporate legal, government liaison, human resources and central services in driving the expansion of Laguna Phuket's hotels and residences. He was promoted to his current position in January 2019. In his 28 years with the Group, he has served in various capacities to develop Laguna Phuket into a luxurious lifestyle community. He was involved in the pre-opening for Sheraton Grande (now Angsana Laguna Phuket), Laguna Golf Phuket, Allamanda, Canal Village and Banyan Tree Phuket, as well as Banyan Tree Bangkok. His experience covers a wide range of operations, from transportation to beach maintenance, sustainability and destination marketing.

Bobby Ong

Vice President, Head of Growth

As Vice President, Head of Growth, since January 2020, Mr Ong is responsible for developing sales strategies to meet revenue and growth targets. He will provide strategic business leadership, set direction and goals and oversee sales effort. He will be working closely with his Global Sales team, the cluster Directors of Sales and Marketing ("**DOSMs**"), hotels' General Managers and DOSMs. He has 30 years' experience in the hospitality and travel industries. He started his career as a tour director, before heading the Incentive and Convention division in the same company. Since entering the hotel industry, he has worked with Shangri-La Hotels & Resorts, Starwood, IHG, Kempinski Hotels and AccorHotels in various geographical regions. He is especially familiar with the China market, having spent 20 years there, culminating in his role as Vice President, Sales & Distribution, for Accor Greater China.

Jonathan Ye

Vice President, Head of Demand

Appointed in October 2019, Mr Ye oversees the Group's global marketing, leading the strategic direction for integrated marketing and functions across offline and online channels for multi-brand campaigns, digital performance marketing and content. He has a proven track record of 16 years in digital and integrated marketing across the hospitality, telecommunications and technology industries. Before joining the Group, he was Huawei's Chief Marketing Officer in Singapore. Prior to the acquisition by Marriott, he drove social, mobile and emerging technologies for Starwood Hotels and Resorts Asia Pacific's head office across Asia Pacific and China. Mr Ye holds a Bachelor of Arts (Psychology) from the University of British Columbia, Canada.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) 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 Securities or Certificates, as the case may be. 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 will be shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a second amended and restated trust deed dated 28 October 2014, as amended and supplemented by a second supplemental trust deed dated 19 March 2020 (as further amended, supplemented and restated from time to time, the "**Trust Deed**") made between (1) Banyan Tree Holdings Limited (the "**Issuer**") and (2) HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a second amended and restated deed of covenant (as amended, supplemented and restated, the "**Deed of Covenant**") dated 28 October 2014, relating to the Notes executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and Coupons referred to below. The Issuer has entered into an amended and restated agency agreement (as amended, supplemented and restated, the "**Agency Agreement**") dated 28 October 2014 made between (1) the Issuer, (2) The Hongkong and Shanghai Banking Corporation Limited, as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**"), agent bank (in such capacity, the "**Agent Bank**"), transfer agent (in such capacity, the "**Transfer Agent**") and registrar (in such capacity, the "**Registrar**"), and (3) 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.

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 specified office of the Issuing and Paying Agent 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 or loss thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Security and such Global Security is held by a common depository 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 in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, 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, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Security shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Security 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 Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Noteholder**" means the bearer of any Definitive Note and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

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

2. 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 other Covenants

(a) The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons relating to the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, create or permit to be created any mortgage, charge, pledge or security interest in respect of any of their respective assets and properties, present or future, unless at the same time or prior thereto, the Issuer's obligations under the Notes, the Coupons relating to the Notes and the Trust Deed (a) are secured equally and rateably therewith to the satisfaction of the Trustee or (b) have the benefit of such other security or other arrangement as shall be approved by the Trustee or as shall be approved by an Extraordinary Resolution of the Noteholders, save for:

(i) (a) any security over any asset existing on or prior to the date of the Trust Deed and which has been disclosed in writing to the Trustee on or prior to the date of the Trust Deed or (b) any security to be created over any asset which is the subject of such existing security in connection with any replacement or refinancing of any of its outstanding indebtedness which at the date of the Trust Deed is secured by such existing security provided that the amount secured is not increased pursuant to such replacement or refinancing;

(ii) any security created by any subsidiary in favour of the Issuer;

(iii) any existing and future Encumbrances (as defined in the Trust Deed) to secure the indebtedness of LRH and its subsidiaries;

(iv) liens or rights of set off arising in the ordinary course of its business or by operation of law, in either case, in respect of indebtedness which either (a) has been due for less than 14 days or (b) is being contested in good faith and by appropriate means;

(v) any security created over any asset acquired, developed, redeveloped or enhanced by the Issuer or any Principal Subsidiary after the date of the Trust Deed for the sole purpose of financing or refinancing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), development, redevelopment or enhancement of such asset, **provided that** the principal amount secured shall not exceed the costs of such acquisition, development, redevelopment or enhancement;

(vi) pledges of goods and/or related documents of title, arising in the ordinary course of its business, as security for bank borrowings directly relating to the purchase of such goods; and

(vii) any security created pursuant to a court order as security for costs in connection with litigation outside Singapore as a condition for any prejudgment, attachment or injunction.

(b) 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 will not at any time be less than S$450,000,000;

(ii) the ratio of Consolidated Total Borrowings to Consolidated Tangible Net Worth shall not at any time exceed 1.9:1; and

(iii) the ratio of Consolidated Secured Assets to Total Tangible Assets shall not at any time exceed 0.7:1.

(c) 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:

(i) [intentionally omitted];

(ii) that it shall, at all times, (i) own directly or indirectly through its wholly-owned subsidiaries, not less than 48 per cent. of the issued share capital for the time being of LRH (as defined in the Trust Deed); and (ii) retain management control of LRH;

(iii) that it shall procure, at all times, that there are no limits or restrictions on the ability of the Issuer or any of its Principal Subsidiaries to declare, distribute or pay to its shareholders any amount of any dividends (whether in cash or in specie), whether under its constitutional documents or by contract or otherwise, save for any dividend restriction that would apply only if and when LRH or any of its subsidiaries is in default of its repayment obligations under a loan agreement or a bank facility agreement entered, or to be entered, into by LRH or any of its subsidiaries, whether on, before or after the date of the Trust Deed;

(iv) that 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 this Condition 3(c)(iv), is substantial in relation to its assets or those of it and its subsidiaries taken as a whole or the disposal of which (either alone or when so aggregated) would have a material adverse effect on it. The following disposals shall not be taken into account under this Condition 3(c)(iv):

(I) disposals made in the ordinary course of business and on normal commercial terms;

(II) disposals which (i) are conducted on an arm's length basis, (ii) result in an increase in the net tangible assets of the Group, and (iii) have been approved by the Trustee in writing (such approval not be unreasonably withheld or delayed) prior to such disposals;

(III) any disposal of assets which are obsolete;

(IV) any transfer of assets, including but not limited to the assets of the Group in the People's Republic of China and Vietnam, to a subsidiary of the Issuer or to any Real Estate Investment Trust, property fund or any other entity which is, or will immediately after any such transfer be, a Real Estate Investment Trust, property fund or entity in which any member or members of the Group would own beneficially in aggregate at least five per cent. of the units or, as the case may be, shares in such Real Estate Investment Trust, property fund or entity provided that such transfers are conducted on an arm's length basis and do not result in a decrease in the net tangible assets of the Group;

(V) any exchange of assets for other assets of a similar value with the prior written consent of the Trustee. The Trustee shall consent to such disposal if the Issuer substitutes and/or replaces the assets to be disposed with replacement assets which have at least the same prevailing open market value (as determined by an Approved Valuer) of the assets to be disposed;

(VI) any transfer of assets from a Principal Subsidiary to another Principal Subsidiary or the Issuer, or from the Issuer to a Principal Subsidiary, and which do not result in a decrease in the net tangible assets of the Group; and

(VII) disposals which are approved by an Extraordinary Resolution of the Noteholders.

For the purposes of these Conditions:

(i) "**Acceptable Financial Statements**" means the latest financial statements (consolidated or unconsolidated, as the context requires) of the Issuer delivered or required to be delivered to the Trustee pursuant to Clause 14.5 of the Trust Deed;

(ii) "**Consolidated Secured Assets**" means total assets as shown in the consolidated Acceptable Financial Statements of the Issuer which are subject to any Encumbrance;

(iii) "**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; and

(b) the amounts standing to the credit of the capital and revenue reserves (including profit and loss account) of the Group on a consolidated basis,

all as shown in the then latest unaudited semi-annual or audited annual consolidated balance sheet of the Group but after:

(1) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph (b) above of the Group since the date of the latest unaudited semi-annual or audited annual consolidated balance sheet of the Group;

(2) deducting:

(aa) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest unaudited semi-annual or audited annual 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;

(bb) all goodwill and other intangible assets;

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

(dd) currency translation reserve which are unrealised; and

(3) taking into account any amounts arising from a writing-up or writing-down after the date of the Trust Deed of the book value of any property of the Group which is publicly announced after the date of the latest audited consolidated balance sheet of the Group;

(iv) "**Consolidated Total Borrowings**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(a) bank overdrafts and all other indebtedness whatsoever of the Group in respect of any borrowings or borrowed moneys;

(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; and

(d) 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.

Where such aggregate amount is to be calculated, no amount shall be taken into account more than once in the same calculation. For the avoidance of doubt, "**Consolidated Total Borrowings**" shall exclude all inter-company transactions between the Issuer and its subsidiaries or between its subsidiaries; and

(v) "**Total Tangible Assets**" means total assets as shown in the consolidated Acceptable Financial Statements of the Issuer and shall include the Group's properties, assets and revenue (including any right to receive revenues) and at all times exclude any goodwill or other intangible assets.

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 4(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

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

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal 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) 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 specified hereon.

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

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date is/are either shown hereon as Specified Interest Payment Dates 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, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date

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

The period beginning on the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on 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) to the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

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

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

In respect of Floating Rate Notes benchmarked to the Swap Rate, a minimum rate of interest will apply thereto as set out in the Pricing Supplement applicable to such Notes in the event that the Swap Rate falls below zero.

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

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

(A) the Agent Bank 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 "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SGD 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), the Agent Bank will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears under the caption "SINGAPORE DOLLAR INTERBANK OFFERED RATES – 11:00 A.M." and the row headed "SIBOR SGD" on the Reuters Screen SIBP Page (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(C) if no such rate appears on the Reuters Screen SIBP Page (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 SIBP Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

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

(E) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the

Reference Banks or those of them (being at least two in number) to the Agent Bank 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 Agent Bank with such quotation, the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

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

(A) the Agent Bank 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 Average Swap Rate for such Interest Period (determined by the Agent Bank as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" under the column headed "SGD SWAP OFFER" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate which appears under the caption "SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) 11 A.M." and the row headed "SIBOR USD" on the Reuters Screen SIBO Page (or such other page as may replace the Reuters Screen SIBO Page for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Spot Rate = the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 AM SINGAPORE" under the column headed "SPOSPOT" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or Discount = the rate (determined by the Agent Bank) to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11:00 AM SINGAPORE" (or such other replacement page thereof for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

T = the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

(C) if on any Interest Determination Date any one of the components for the purposes of calculating the Average Swap Rate under (B) above is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Agent Bank) and as adjusted by the Spread (if any). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which United States dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market;

Discount = the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market; and

T = the number of days in the Interest Period concerned; and

(D) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with quotations of their Swap Rate(s), the Average Swap Rate shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Agent Bank 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 the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Agent Bank) 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 Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and

(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 Agent Bank 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 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 Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank 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.

(c) Rate of Interest – Variable Rate Notes

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

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

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

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

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

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

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

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

(1) notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

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

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

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

(d) Definitions

As used in these Conditions:

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

"**business day**" means:

(i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business in Singapore;

(ii) (in the case of Notes denominated in Renminbi) a day (other than a Saturday, Sunday or public holiday) on which commercial banks are generally open for business in Singapore and Hong Kong; and

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

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

"**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;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank (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 inter-bank market in the Relevant Financial Centre; and

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Monitor Money Rates Service ("Reuters") and the Moneyline Telerate Service ("Telerate")) 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.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

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

(b) Fixed Rate Period

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

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

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

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

(c) Floating Rate Period

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

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

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

(V) Calculations

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

The Agent Bank 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 Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the relevant currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer and (in the case of Floating Rate Notes) to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth business day thereafter. 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 Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank 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 an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank 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 Agent Bank may not resign 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) Redemption at the Option of the Issuer

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

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

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the 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 the Singapore Exchange Securities Trading Limited, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of Notes.

(c) Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and 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.

(d) 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 Reference Date or Interest Payment Date (as the case may be) 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(f) 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 Issuing and Paying Agent a certificate signed by a duly authorised officer 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 under this Condition 5(d) have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(e) 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 or the relevant related corporation to the Issuing and Paying Agent for cancellation or may at the option of the Issuer 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.

(f) 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(d) 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(d) 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 hereon.

(g) Cancellation

All Notes purchased by or on behalf of the Issuer or any of related corporations may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Issuing and 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.

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

If so provided hereon, in the event that (i) the shares of the Issuer cease to be traded on the Singapore Exchange Securities Trading Limited (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 any Noteholder, redeem such Note (in whole but not in part) at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 45 days after the Effective Date (as defined below). The Issuer shall within seven days after the Effective Date, give written notice to the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this Condition 5(h) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the Noteholder must deposit (in the case of bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent at its specified office or (in the case of registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with an exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) no later than 21 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 5(h):

(1) "**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

(2) "**market day**" means a day on which the SGX-ST is open for securities trading.

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:

(i) in the case of a currency other than Renminbi, at the specified office of the Issuing and 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;

(ii) in the case of Renminbi, by transfer to a relevant account maintained by or on behalf of the Noteholder. If a holder does not maintain a relevant account in respect of a payment to be made under the Notes, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

In this Condition:

"**relevant account**" means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Singapore or Hong Kong.

(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 Issuing and Paying Agent's specified office is set out in the relevant Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent and to appoint additional or other Issuing and Paying Agents, provided that it will at all times maintain an Issuing and Paying Agent having a specified office in Singapore.

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 Issuing and Paying Agent 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 Issuing and Paying Agent and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Issuing and Paying Agent 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 three 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 Issuing and Paying Agent to be equal to one per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified hereon and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

(g) Renminbi fallback

Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not, in its sole and absolute discretion, able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi in Singapore, the Issuer shall, on giving not less than five nor more than 30 days irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment in Singapore dollars, on the due date at the Singapore Dollar Equivalent, of any such Renminbi denominated amount. The due date for payment shall be the originally scheduled due date or such postponed due date as shall be specified in the notice referred to above, which postponed due date may not fall more than 20 days after the originally scheduled due date. Interest on the Notes will continue to accrue up to but excluding any such date for payment of principal.

In such event, payments of the Singapore Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to a Singapore dollar denominated account maintained by the payee with, or by a Singapore dollar denominated cheque drawn on, a bank in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(g) by the Calculation Agent will (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders.

In this Condition:

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Singapore;

"**Determination Date**" means the day which is seven Determination Business Days before the due date of the relevant amount under these Conditions;

"**Governmental Authority**" means the Monetary Authority of Singapore or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

"**Illiquidity**" means the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer;

"**Inconvertibility**" means the occurrence of any event that makes it impossible (where it had been previously possible) for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Singapore or from an account inside Singapore to an account outside Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any

Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**PRC**" means the People's Republic of China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan);

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Singapore;

"**Singapore Dollar Equivalent**" means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date; and

"**Spot Rate**" means, for a Determination Date, the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11.00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(g) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders.

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 three 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 50 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay any sum payable by it under any of the Notes or the Issue Documents (as defined in the Trust Deed) when due and such default continues for not less than five business days;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents or any of the Notes and, if the opinion of the Trustee that default is capable of remedy, it is not in the opinion of the Trustee remedied within 30 days of its occurrence;

(c) any representation or warranty 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 resulting in such non-compliance is, in the opinion of the Trustee, capable of remedy, it is not in the opinion of the Trustee remedied within 30 days of its occurrence;

(d) (i) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed money is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as the case may be, within any applicable grace period in any agreement relating to that indebtedness or seven business days of its due date, whichever is later; or

(ii) the Issuer or any of its Principal Subsidiaries fails to pay when properly called upon to do so or within seven business days of the due date, whichever is later, any present or future guarantee of indebtedness for borrowed moneys,

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

(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 a material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a 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 a material part of the assets of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over all or a material part of the assets of the Issuer or any of its Principal Subsidiaries becomes enforceable;

(h) any voluntary step is taken by the Issuer or any of its Principal Subsidiaries, or the commencement of legal proceedings by a person other than the Issuer or any of its Principal Subsidiaries, with a view to the winding-up of the Issuer or any of its Principal Subsidiaries (except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or transfer of assets to its subsidiary and such event does not or is not likely to have a material adverse effect on the Issuer) or the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over any part of the 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 in the ordinary course of its business) disposes or threatens to dispose of the whole or any material part of its property or assets (in each case, otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or transfer of assets as is referred to in the parenthesis in paragraph (h) above);

(j) any governmental authority or agency or court seizes, compulsorily acquires, expropriates or nationalises all or a 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 in order (i) to enable it lawfully to enter into, exercise its rights and perform and comply with its obligations under each of the Issue Documents and the Notes, (ii) to ensure that those obligations are valid, legally binding and enforceable, (iii) to ensure that those obligations rank and will at all times rank in accordance with Condition 2 or (iv) to make the Issue Documents and the Notes admissible in evidence in the courts of Singapore 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 payment or other material obligations under any of the Issue Documents or any of the Notes;

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

(n) any litigation, arbitration or administrative proceeding is current or pending other than those of a frivolous or vexatious nature (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 reasonably likely to have a material adverse effect on the Issuer's ability to perform or comply with its obligations under any of the Issue Documents or the Notes;

(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 or analogous provisions in the relevant jurisdictions.

In these Conditions:

(1) "**LRH**" means Laguna Resorts & Hotels Public Company Limited, a Principal Subsidiary of the Issuer as at the date of the Trust Deed.

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

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

(bb) whose turnover, as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 10 per cent. of the consolidated turnover of the Group as shown by such audited consolidated accounts,

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

(I) 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

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

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets or (as the case may be) turnover as shown by the accounts of

such subsidiary (consolidated (if any) in the case of a company which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the total assets or, as the case may be, the consolidated turnover of the Group, as shown by such audited consolidated accounts. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

(3) "**subsidiary**" means:

(i) a subsidiary within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore

(ii) a trust, fund or other entity (whether or not a body corporate) in which more than half of the interest in such trust, fund or other entity (whether represented by units or otherwise) is beneficially owned, directly or indirectly, by the Issuer; or

(iii) any company or corporation which is a subsidiary of any trust, fund or other entity (whether or not a body corporate) to which paragraph (ii) above applies.

10. Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 50 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

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 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, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear Bank S.A./N.V. and/or Clearstream Banking, société anonymé and/or The Central Depository (Pte) Limited and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

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

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

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 Issuing and Paying Agent, or at the specified office of such other Issuing and 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, 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 to its satisfaction. The Trust Deed also contains a provision

entitling the Trustee to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

15. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in the Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Securities (as defined in the Trust Deed) are issued, there may, so long as the Global Security(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 the Depository for communication by it to the Noteholders, except that if the Notes are listed on the Singapore Exchange Securities Trading Limited and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders 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 Issuing and Paying Agent. Whilst the Notes are represented by a Global Security, such notice may be given by any Noteholder to the Issuing and Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and 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 identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

16. Governing Law

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

17. Contracts (Rights of Third Parties) Act

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

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

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

The Perpetual Securities are constituted by a second amended and restated trust deed dated 28 October 2014, as amended and supplemented by a second supplemental trust deed dated 19 March 2020 (as further amended, supplemented and restated from time to time, the "**Trust Deed**") made between (1) Banyan Tree Holdings Limited (the "**Issuer**") and (2) HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below), and (where applicable) the Perpetual Securities are issued with the benefit of a second amended and restated deed of covenant (as amended, supplemented and restated, the "**Deed of Covenant**") dated 28 October 2014, relating to the Perpetual Securities 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 includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an amended and restated agency agreement (as amended, supplemented and restated, the "**Agency Agreement**") dated 28 October 2014 made between (1) the Issuer, (2) The Hongkong and Shanghai Banking Corporation Limited, as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**"), agent bank (in such capacity, the "**Agent Bank**"), transfer agent (in such capacity, the "**Transfer Agent**") and registrar (in such capacity, the "**Registrar**"), and (3) the Trustee, as trustee. The Perpetual Securityholders and the holders (the "**Couponholders**") of the distribution coupons (the "**Coupons**") appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

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 specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the "**Perpetual Securities**") are issued in bearer form ("**Bearer Perpetual Securities**") or in registered form ("**Registered Perpetual Securities**") in each case in the Denomination Amount shown hereon.

(ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).

(iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.

(iv) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

(i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

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

(iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined in the Trust Deed) or, as the case may be, a Global Certificate (as defined in the Trust Deed) and such Global Security or Global Certificate 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 Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the other Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, distribution and any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the other Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository. For so long as any of the Perpetual Securities is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by the Depository, the record date for the purposes of determining entitlements to any payment of principal, distribution and any other

amounts in respect of the Perpetual Security shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).

(iv) In these Conditions, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).

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

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

(a) No Exchange of Perpetual Securities: Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) Transfer of Registered Perpetual Securities: Subject to Condition 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee and in the case of any change proposed by the Registrar or the Trustee, with the prior written approval of the Issuer. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.

(c) Exercise of Options or Partial Redemption in Respect of Registered Perpetual Securities: In the case of an exercise of an Issuer's option in respect of, or a partial redemption of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having

different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates: Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

(e) Transfers Free of Charge: Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.

(f) Closed Periods: No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

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

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

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

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

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

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

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

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

(iii) **No set-off**

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

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

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

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

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

(b) Distribution Rate

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

(i) (if no Reset Date is specified in the applicable Pricing Supplement),

(a) If no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or

(b) if a Step-Up Margin is specified in the applicable Pricing Supplement, (1) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from (and including) the Distribution Commencement Date to (but excluding) the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from (and including) the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to (but excluding) the immediately following Reset Date, the Reset Distribution Rate,

For the purposes of these Conditions:

"**Reset Distribution Rate**" means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement); and

"**Swap Offer Rate**" means the rate per annum (expressed as a percentage) notified by the Agent Bank to the Issuer equal to the rate appearing under the column headed "SGD IRS OFFER" for a maturity of the number of years specified as the Reset Period in the applicable Pricing Supplement which appears on Bloomberg Screen ABSI3 Page published between 11.30 am to 12.00 noon (Singapore time) on the day that is two business days preceding the relevant Reset Date. If such rate does not appear on the Bloomberg Screen ABSI3 Page, the rate for that Reset Date will be any substitute rate announced by the Association of Banks in Singapore, provided that, in each case, in the event such rate is zero or negative, the Swap Offer Rate shall be deemed to be zero per cent. per annum.

(c) Calculation of Reset Distribution Rate

The Agent Bank will, on the second business day prior to each Reset Date, calculate the applicable Reset Distribution Rate payable in respect of each Perpetual Security. The Agent Bank will cause the applicable Reset Distribution Rate determined by it to be notified to the Issuing and Paying Agent, the Trustee, the Registrar, the Issuer as soon as practicable after their determination but in no event later than the fourth business day thereafter. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Agent Bank will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Perpetual Securityholders.

(d) Publication of Relevant Reset Distribution Rate

The Issuer shall cause notice of the then applicable Reset Distribution Rate to be promptly notified to the Perpetual Securityholders in accordance with Condition 14 after having been duly notified by the Agent Bank of such applicable Reset Distribution Rate.

(e) Determination or Calculation by Trustee

If the Agent Bank does not at any time for any reason so determine the applicable Reset Distribution Rate, the Trustee shall do so and such determination or calculation shall be deemed to have been made by the Agent Bank. In doing so, the Trustee shall apply the foregoing provisions of this Condition 4(I), with any necessary consequential amendments, to the extent that, in its opinion, it can do so and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculations

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

(g) Increase in Distribution Rate

If specified in the applicable Pricing Supplement:

(i) *Increase in Distribution Rate*: On the occurrence of a Relevant Indebtedness Default Event, unless (x) an irrevocable notice to redeem the Perpetual Securities has been given by the Issuer in accordance with Condition 5(g) by the 30th day following the occurrence of such Relevant Indebtedness Default Event or (y) the Relevant Indebtedness Default Event is remedied by the 30th day following the occurrence of such Relevant Indebtedness Default Event, the Distribution Rate will increase by such per cent. per annum specified in the applicable Pricing Supplement (the "**Increase Amount**") with effect from (a) the next Distribution Payment Date (as defined below) immediately following the occurrence of the Relevant Indebtedness Default Event or (b) if the date on which the Relevant Indebtedness Default Event occurs is prior to the most recent preceding Distribution Payment Date, such Distribution Payment Date, provided that the maximum aggregate increase in the Distribution Rate pursuant to this Condition 4(l)(g) shall be the Increase Amount.

For the avoidance of doubt, any increase in the Distribution Rate pursuant to this Condition 4(l)(g) is separate from and in addition to any increase in the Distribution Rate pursuant to Condition 4(l)(b). Any increase in the Distribution Rate pursuant to this Condition 4(l)(g) shall not occur more than once.

Any increase in the Distribution Rate pursuant to this Condition 4(l)(g) shall be notified by the Issuer to the Securityholders in accordance with Condition 14, the Trustee and the Agents in writing no later than the 30th day following the occurrence of the Relevant Indebtedness Default Event.

(ii) *Decrease in Distribution Rate*: If following an increase in the Distribution Rate after a Relevant Indebtedness Default Event, such Relevant Indebtedness Default Event is cured or no longer exists, upon written notice of such facts being given to the Securityholders in accordance with Condition 14, the Trustee and the Agents, the Distribution Rate shall be decreased by the Increase Amount with effect from (and including) the Distribution Payment Date immediately following the date falling 30 days after the date on which the Trustee receives notice of the cure of such Relevant Indebtedness Default Event provided that the maximum aggregate decrease in the Distribution Rate pursuant to this Condition 4(l)(g) shall be the Increase Amount.

"**Relevant Indebtedness Default Event**" means the occurrence of one or more of the following events:

(I) any Indebtedness for Borrowed Money of the Issuer or any of its Principal Subsidiaries becomes (or becomes capable of being declared) due and repayable prematurely by reason of any default or an event of default (howsoever described); or

(II) the Issuer or any of its Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment or, as the case may be, within any originally applicable grace period;

(III) any security given by the Issuer or any of its Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or

(IV) default is made by the Issuer or any of its Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person,

provided that the aggregate amount of such Indebtedness for Borrowed Money, guarantees and indemnities in respect of which one or more of the events mentioned above have occurred equals or exceeds S$15,000,000 or its equivalent in other currencies (as determined by the Trustee).

"**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

"**Principal Subsidiary**" means any subsidiary of the Issuer:

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

(bb) whose turnover, as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 10 per cent. of the consolidated turnover of the Group as shown by such audited consolidated accounts,

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

(I) 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

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

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets or (as the case may be) turnover as shown by the accounts of such subsidiary (consolidated (if any) in the case of a company which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the total assets or, as the case may be the consolidated turnover of the Group, as shown by such audited consolidated accounts. A report by the auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive.

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

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

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

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

(b) Rate of Distribution – Floating Rate Perpetual Securities

(i) Each Floating Rate Perpetual Security confers a right to receive distribution on its Calculation Amount at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

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

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

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Agent Bank on the basis of the following provisions:

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

(A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof) and as adjusted by the Spread (if any);

(B) if on any Distribution Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Agent Bank will determine the Rate of Distribution for such Distribution Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof) at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any);

(C) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page (as defined below) 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 Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

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

(E) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any);

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

(A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the Average Swap Rate for such Distribution Period (determined by the Agent Bank as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace Page ABSI for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period) and as adjusted by the Spread (if any);

(B) if on any Distribution Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Agent Bank will determine the Rate of Distribution for such Distribution Period which shall be the Average Swap Rate for such Distribution Period (determined by the Agent Bank as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period) and as adjusted by the Spread (if any);

(C) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or 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 Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest four decimal places) for such Distribution Period in accordance with the following formula:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME" and under the column headed "USD SIBOR" (or such other page as may replace Page ABSI for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Period concerned;

Spot Rate = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) (determined by the Agent Bank) of the rates quoted by the Reference Banks and which appear on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points" (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Period concerned;

Premium or Discount = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) (determined by the Agent Bank) of the rates quoted by the Reference Banks for a period equal to the duration of the Distribution Period concerned which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points" (or such

other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Period concerned; and

T = the number of days in the Distribution Period concerned. The Rate of Distribution for such Distribution Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

(D) if on any Distribution Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (C) above is not quoted on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) is unavailable for any reason, the Agent Bank will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest four decimal places) for such Distribution Period in accordance with the following formula:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "USD SIBOR" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Period concerned;

Spot Rate = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) (determined by the Agent Bank) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" and under the column headed "SPOT" (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Period concerned;

Premium or Discount = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) (determined by the Agent Bank) of the rates quoted by the Reference Banks for a period equal to the duration of the Distribution Period concerned which appear on the Reuters Screen ABSIRFIX06-7 Pages under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME" (or such other page as may replace the Reuters Screen ABSIRFIX06-7 Pages for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Period concerned; and

T = the number of days in the Distribution Period concerned. The Rate of Distribution for such Distribution Period shall be the Average Swap Rate (as determined by the Agent Bank) and as adjusted by the Spread (if any);

(E) if on any Distribution Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (D) above is not quoted on the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotations of their Swap Rates for the Distribution Period concerned at or about the Relevant Time on that Distribution Determination Date and the Rate of Distribution for such Distribution Period shall be the Average Swap Rate for such Distribution Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Swap Rates quoted by the Reference Banks to the Agent Bank) and as adjusted by the Spread (if any). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the

Distribution Period concerned in the Singapore interbank market at or about the Relevant Time on the relevant Distribution Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which United States dollar deposits for a period equal to the duration of the Distribution Period concerned are being offered by that Reference Bank to prime banks in the Singapore interbank market at or about the Relevant Time on the relevant Distribution Determination Date;

Spot Rate = the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore interbank market at or about the Relevant Time on the relevant Distribution Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Distribution Period concerned in the Singapore interbank market;

Discount = the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Distribution Period concerned in the Singapore interbank market; and

T = the number of days in the Distribution Period concerned;

(F) if on any Distribution Determination Date, two but not all the Reference Banks provide the Agent Bank with quotations of their Swap Rate(s), the Average Swap Rate for the relevant Distribution Period shall be determined in accordance with (E) above on the basis of the quotations of those Reference Banks providing such quotations; and

(G) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any); and

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

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

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

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

and as adjusted by the Spread (if any);

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

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

(iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

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

(c) Definitions

As used in these Conditions:

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

"**business day**" means:

(i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which commercial banks are open for business in Singapore; and

(ii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars), a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency;

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

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

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

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

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

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

"**Relevant Financial Centre**" means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

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

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

"**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) and such other information service as may be agreed by the Agent Bank 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.

(III) Calculations

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

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

(b) Notification

The Agent Bank will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Agent Bank will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If

an Enforcement Event occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

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

(d) Agent Bank and Reference Banks

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

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Payment Notice**") to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

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

(i) a discretionary dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations or, in relation to Subordinated Perpetual Securities only, (except on a pro-rata basis) any of the Issuer's Parity Obligations; or

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

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

In these Conditions, "**Junior Obligation**" means any ordinary shares of the Issuer and any class of the Issuer's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by a director or a duly authorised officer of the Issuer confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No obligation to pay

If Optional Payment is set out hereon and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

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

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

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

(iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount

accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

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

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or in relation to Subordinated Perpetual Securities only, (except on a pro-rata basis) any of the Issuer's Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration and will procure that no redemption, reduction, cancellation, buy-back or acquisition is made in respect of any of the Issuer's Junior Obligations or in relation to Subordinated Perpetual Securities only, (except on a pro-rata basis) any of the Issuer's Parity Obligations,

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

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

(i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(A) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);

(B) the next Distribution Payment Date on the occurrence of a breach of Condition 4(IV)(d) or the occurrence of a Compulsory Distribution Payment Event; and

(C) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

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

(f) No default

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

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

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

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

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

(c) Redemption for Taxation Reasons

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

(i) the Issuer receives a ruling by the Comptroller of Income Tax (or other relevant authority) which confirms that:

(A) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(B) the distributions (including Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(C) the distributions (including Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(ii) (A) 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, if the Issuer is not incorporated in Singapore, such other jurisdiction in which the Issuer is incorporated) 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

(B) such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Issuing and Paying Agent and the Trustee a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such ruling, change or amendment.

(d) Redemption for Accounting Reasons

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

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

(i) a certificate, signed by the duly authorised officer(s) of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

(e) Redemption for Tax Deductibility

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

(i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;

(ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previous generally accepted position which is issued or announced on or after the Issue Date,

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

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

(i) a certificate, signed by the duly authorised officer(s) of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of the Issuer's independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the tax regime is due to take effect.

(f) Redemption in the case of Minimal Outstanding Amount

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

(g) Redemption in the case of Relevant Indebtedness Default Event

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

(h) Purchases

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

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

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

(i) Cancellation

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

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

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

For the purposes of these Conditions:

(i) a "**Cessation/Suspension of Trading Event**" occurs when (i) the shares of the Issuer cease to be traded on the Singapore Exchange Securities Trading Limited (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; and

(ii) ″**market day**" means a day on which the SGX-ST is open for securities trading.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

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

(b) Principal and Distribution in respect of Registered Perpetual Securities

(i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).

(ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such

Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

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

(d) Appointment of Agents

The Issuing and Paying Agent's specified office is set out in the relevant listing supplement. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Agent Bank, any Transfer Agent and the Registrar and to appoint additional or other Issuing and Paying Agents, Agent Banks, Transfer Agents and Registrars, provided that they will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore, (ii) an Agent Bank having a specified office in Singapore, (iii) a Transfer Agent in relation to Registered Perpetual Securities, having a specified office in Singapore and (iv) a Registrar in relation to Registered Perpetual Securities, having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, adversely affect the interests of the holders of the Perpetual Securities or the Coupons.

(e) Unmatured Coupons and unexchanged Talons

(i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, 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 Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

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

(f) Talons

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

(g) Non-business days

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

7. Taxation

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

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

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

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

8. Prescription

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

9. Non-Payment

(a) Non-payment when due

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

(b) Proceedings for Winding-Up

If (i) an order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of more than 14 days (in the case of distribution) or seven days (in the case of principal) (together, the "**Enforcement Events**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(c) Enforcement

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

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 50 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded by the Perpetual Securityholders to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

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

(f) Extent of Perpetual Securityholders' remedy

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

10. Meeting of Perpetual Securityholders and Modifications

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

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual

Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (g) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

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

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

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

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

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

12. Further Issues

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

13. Indemnification of the Trustee

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

14. Notices

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

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

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

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar, and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

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

15. Governing Law

The Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

16. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore (as amended, modified or supplemented from time to time).

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

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

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

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

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

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

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

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

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

SINGAPORE TAXATION

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

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that payments made under each tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts) will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA or payments made under each tranche of the Perpetual Securities (including, without limitation, the distributions, Optional Distributions, Arrears of Distribution and Additional Distribution Amounts) are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

Interest and Other Payments

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

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

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

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

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

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

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

(c) prepayment fee, redemption premium 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.

From the time of establishment of the Programme to 19 March 2020, the Programme as a whole was arranged by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) ("**FSI-BM**") at such time. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch has resigned as the arranger under such Programme with effect from 19 March 2020, and Credit Suisse (Singapore) Limited and Maybank Kim Eng Securities Pte. Ltd. have been appointed as an arrangers under the Programme on 19 March 2020 and each of them was a Financial Sector Incentive (Standard Tier) Company ("**FSI-ST**") at such time.

As the Programme as a whole was arranged by an FSI-BM company prior to 19 March 2020 and by a FSI-ST company thereafter, any tranche of the Securities (the "**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

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

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

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

(iii) subject to:

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

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require,

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

Notwithstanding the foregoing:

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

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

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

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

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

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

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

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

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

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

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

Taxation relating to Payments on Perpetual Securities

The ITA currently does not contain specific provisions on how financial instruments that exhibit both debt-like and equity-like features, i.e. hybrid instruments, should be treated for income tax purposes. However, IRAS has published the e-tax guide: Income Tax Treatment of Hybrid Instruments (Second Edition) on 21 October 2019 (the "**Hybrid Instruments e-Tax Guide**") which sets out the income tax treatment of hybrid instruments, including the factors that IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, the IRAS has stated in the Hybrid Instruments e-Tax Guide that:

(a) whether or not a hybrid instrument will be treated as debt or equity security for income tax purposes will firstly depend on its legal form, to be determined based on an examination of the legal rights and obligations attached to the instrument;

(b) a hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer. If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors, not limited to the following, would have to be examined to ascertain the nature of the instrument for income tax purposes.

These factors include (but are not limited to):

(i) nature of interest acquired;

(ii) investor's right to participate in issuer's business;

(iii) voting rights conferred by the instrument;

(iv) obligation to repay the principal amount;

(v) payout;

(vi) investor's right to enforce payment;

(vii) classification by other regulatory authority; and

(viii) ranking for repayment in the event of liquidation or dissolution;

(c) if a hybrid instrument is characterised as a debt instrument for income tax purposes, distributions from the issuer to the investors are regarded as interest; and

(d) if a hybrid instrument issued by a company or a REIT (as defined in the ITA) is characterised as an equity instrument for income tax purposes, distributions from the issuer to the investors are regarded as either dividends or distributions.

Capital Gains

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

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) for tax purposes in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Securities is made. See also "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

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

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

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

Holders of the Securities who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

Estate Duty

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

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

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

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 that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of any tranche of Securities, such Securities, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Issuer that they intend to make a market in such Securities as permitted by applicable law. They are not obligated, however, to make a market in the Securities and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Securities.

The Arrangers, the Dealers or any of their respective affiliates may purchase Securities for its own account or enter into secondary market transactions or derivative transactions relating to the Securities, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Securities. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Securities to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Securities). As a result of such transactions, the Arrangers, the Dealers or any of their respective affiliates may hold long or short positions relating to the Securities.

The Arrangers, the Dealers and their affiliates are full-service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and enter into other transactions in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Securities. Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While the Arrangers, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arrangers, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Securities. The Arrangers, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Securities.

United States

The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented that it has offered and sold, and agreed that it will offer and sell, Securities of any Series (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or in the case of a sale of an identifiable tranche of Securities to or through more than one Dealer, by each of such Dealers with respect to the Securities of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify each such Dealer when all such Dealers have so certified), only in accordance with Rule 903 of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed that, at or prior to confirmation of sale of Securities, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of Securities of which such Securities are a part, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."

In respect of Securities that are expressed in the applicable Pricing Supplement to be subject to the D Rules (as defined below), the following applies:

(i) Each Dealer has represented that it has not entered and agreed that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Securities, except with its affiliates or with the prior written consent of the Issuer; and

(ii) In addition:

(a) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury regulation section, including without limitation, regulations issued in accordance with the Internal Revenue Service Notice 2012.20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), each Dealer:

(I) has represented that it has not offered or sold, and agreed that during the restricted period it will not offer or sell, Securities to a person who is within the United States or its possessions or to a United States person; and

(II) has represented that it has not delivered and agreed that it will not deliver within the United States or its possessions definitive Securities that are sold during the restricted period;

(b) each Dealer has represented that it has and agreed that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if a Dealer is a United States person, such Dealer has represented that it is acquiring the Securities for purposes of resale in connection with their original issue and if it retains Securities for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012.20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010); and

(d) with respect to each affiliate that acquires from it Securities for the purpose of offering or selling such Securities during the restricted period, each Dealer will either (I) repeat and confirm the representations and agreements contained in sub-paragraphs (a), (b) and (c) on its behalf or (II) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subparagraphs (a), (b) and (c).

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 as amended and regulations thereunder, including the D Rules.

In respect of Bearer Securities that are expressed in the applicable Pricing Supplement to be subject to the C Rules (as defined below), under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012.20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**C Rules**"), to set out the criteria for "foreign targeted obligations" that are exempt from the excise tax under Section 4701(b)(1)(B) of the Code, Securities in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, such Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, Securities in bearer form within the United States or its possessions in connection with their original issuance. In connection with the original issuance of Securities in bearer form, each Dealer has represented that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either of them is within the United States or its possessions, and will not otherwise involve its U.S. office in the offer and sale of Securities in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including the C Rules and Notice 2012-20.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies the "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area and the United Kingdom. For the purposes of this provision:

(i) the expression "retail investor" means a person who is one (or more) of the following:

  (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (b) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(ii) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area and the United Kingdom (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant State except that it may, make an offer of such Securities to the public in that Relevant State:

(i) if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such offering circular has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish an offering circular pursuant to Article 3 of the Prospectus Regulation or supplement an offering circular pursuant to Article 23 of the Prospectus Regulation.

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

United Kingdom

Each Dealer has represented and agreed that:

(a) in relation to any Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Securities in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities, except for Securities which are a "**structured product**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong, other than (i) to "**professional investors**" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) 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

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Dealer acknowledges that the Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Securities or caused such Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person (as defined in Section 275(2) of the SFA), or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

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

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

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

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

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

General

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

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of the 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 will comply with all laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement.

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

GENERAL AND OTHER INFORMATION OF THE ISSUER AND THE GROUP

INFORMATION ON DIRECTORS

1. The name and position of each of the Issuer's directors are set out below:

Name	Position
Mr Ho KwonPing	Executive Chairman
Mr Ariel P Vera	Non-Executive and Non-Independent Director
Mr Chia Chee Ming Timothy	Lead Independent Director
Mrs Fang Ai Lian	Independent Director
Mr Chan Heng Wing	Independent Director
Mr Tham Kui Seng	Independent Director
Mr Lim Tse Ghow Olivier	Independent Director
Mrs Karen Tay Koh	Independent Director
Mr Zhang Xu	Non-Executive and Non-Independent Director
Mr Gaurav Bhushan	Non-Executive and Non-Independent Director
Mr Chew Van Hoong Jason	Non-Executive and Non-Independent Director
Mr Mohamed Al-Hashmi	Alternate Director to Mr Chew Van Hoong Jason

2. The Issuer's directors are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer save as disclosed under item 3 below.

3. The interests of the Issuer's directors and the substantial shareholders[(1)] of the Issuer in the Shares as at 31 December 2019 are as follows:

Directors/Alternate Director

	Direct Interest		Deemed Interest	
	Number of Shares	%[(2)]	Number of Shares	%[(2)]
Ho KwonPing[(3)]	–	–	301,948,882	35.96
Ariel P Vera	1,120,500	0.13	–	–
Chia Chee Ming Timothy	257,000	0.03	–	–
Fang Ai Lian[(4)]	–	–	–	–
Chan Heng Wing[(5)]	–	–	–	–
Tham Kui Seng	–	–	–	–
Lim Tse Ghow Olivier	–	–	–	–
Karen Tay Koh	–	–	–	–
Zhang Xu	–	–	–	–
Gaurav Bhushan	–	–	–	–
Chew Van Hoong Jason	–	–	–	–
Mohamed Al-Hashmi (Alternate Director to Chew Van Hoong Jason)	–	–	–	–

Substantial Shareholders

	Direct Interest		Deemed Interest	
	Number of Shares	%(2)	Number of Shares	%(2)
Ho KwonPing(3)	–	–	301,948,882	35.96
Chiang See Ngoh Claire(6)	–	–	293,319,882	34.93
Ho KwonCjan(7)	16,000,000	1.91	49,629,000	5.91
Bibace Investments Ltd(8)	–	–	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of The Bibace Trust)(9)	–	–	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of Merit Trust)(9)	–	–	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of Ho Ren Hua Family Line Trust)(9)	–	–	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of Ho Ren Yung Family Line Trust)(9)	–	–	286,519,882	34.12
Bibace Management Company Limited (acting as trustee of Ho Ren Chun Family Line Trust)(9)	–	–	286,519,882	34.12
Banyan Tree Global Foundation Limited(10)	–	–	286,519,882	34.12
Qatar Holding LLC(11)	–	–	205,870,443	24.51
Qatar Investment Authority(12)	–	–	205,870,443	24.51

Notes:

(1) As shown in the Register of Substantial Shareholders and based on notifications received by the Issuer.

(2) Percentage shareholding is based on issued share capital of the Issuer of 839,794,980 as at 31 December 2019 (excluding treasury shares).

(3) Ho KwonPing, a named beneficiary of The Bibace Trust, is deemed to have an interest in the Shares held by HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace Investments Ltd ("Bibace")) as a result of The Bibace Trust's shareholding interest in Bibace. He is also deemed to have an interest in the Shares held by Recourse Investments Ltd. and Raffles Nominees (Pte.) Limited (acting as nominee for KAP Holdings Ltd.) as well as the Shares held by Raffles Nominees (Pte.) Limited (acting as nominee for Li-Ho Holdings (Private) Limited).

(4) Fang Ai Lian is a debenture holder of S$500,000 Series 010 Notes issued by the Issuer on 5 June 2015 under the S$700 million Multicurrency Debt Issuance Programme.

(5) Chan Heng Wing is a debenture holder of S$250,000 Series 009 Notes issued by the Issuer on 3 June 2014 under the S$400 million Medium Term Note Programme. On 3 June 2019, Series 09 Notes under BTH S$700 million Multicurrency Debt Issuance Programme have matured and have been fully repaid and cancelled by BTH.

(6) Chiang See Ngoh Claire, a named beneficiary of The Bibace Trust, is deemed to have an interest in the Shares held by HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace) as a result of The Bibace Trust's shareholding interest in Bibace. She is also deemed to have an interest in the Shares held by Recourse Investments Ltd. and Raffles Nominees (Pte.) Limited (acting as nominee for KAP Holdings Ltd.).

(7) Ho KwonCjan is deemed to have an interest in the Shares held by ICD (HK) Limited, Freesia Investments Ltd and Raffles Nominees (Pte.) Limited (acting as nominee for Li-Ho Holdings (Private) Limited).

(8) Bibace is deemed to have an interest in the Shares held by its nominees, HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited.

(9) Bibace Management Company Limited (acting as trustee of The Bibace Trust) is deemed to have an interest in the Shares in which Bibace has an interest as a result of The Bibace Trust's shareholding interest in Bibace. Bibace Management Company Limited (acting as trustee of each of the Merit Trust, the Ho Ren Hua Family Line Trust, the Ho Ren Yung Family Line Trust and the Ho Ren Chun Family Line Trust) is deemed to have an interest in the same Shares as it is a named beneficiary of The Bibace Trust in these capacities.

(10) Banyan Tree Global Foundation Limited, a named beneficiary of The Bibace Trust, is deemed to have an interest in the Shares held by HSBC (Singapore) Nominees Pte Ltd and Raffles Nominees (Pte.) Limited (acting as nominees for Bibace) as a result of The Bibace Trust's shareholding interest in Bibace.

(11) Qatar Holding LLC ("**QH**") is deemed to have an interest in the Shares held through third party nominees.

(12) Qatar Investment Authority is deemed to have an interest in the Shares held by its wholly-owned subsidiary, QH.

SHARE CAPITAL

4. As at the date of this Information Memorandum, there is one class of shares in the Issuer, being ordinary shares. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.

5. The issued share capital of the Issuer as at 31 December 2019 is as follows:

Share Designation	**Issued Share Capital**	
	Number of Shares	**Amount**
Ordinary Shares	839,794,980[(1)]	S$247,972,514

Note:

(1) Excluding 1,570,000 treasury shares.

BORROWINGS

6. Save as disclosed in Appendix I, the Group had as at 31 December 2019, 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

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

CHANGES IN ACCOUNTING POLICIES

8. There has been no significant change in the accounting policies of the Issuer since its audited financial accounts for the year ended 31 December 2019.

LITIGATION

9. Save as disclosed in this Information Memorandum, 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 Group and the Issuer's directors have no knowledge of any proceedings pending or threatened against the Issuer or any of its subsidiaries or any facts likely to give rise to any litigation, claims or proceedings which might be material in the context of the issue of the Securities.

ADVERSE CHANGE

10. Save as disclosed in this Information Memorandum, there has been no adverse change in the financial position or business of the Issuer since 31 December 2019 that is material in the context of the issue of the Securities.

CONSENTS

11. The Auditors have given and have not withdrawn their written consent to the issue of this Information Memorandum with the references herein to their names and reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

12. Copies of the following documents may be inspected at the registered office of the Issuer at 211 Upper Bukit Timah Road Singapore 588182 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed;

    (c) the Agency Agreement; and

    (d) the financial statements of the Group as set out in Appendices I and II, respectively.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

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

APPENDIX I

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AND ITS SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2019

The information in this Appendix I has been reproduced from the auditor's report on the consolidated financial statements of the Issuer and its subsidiaries for the year ended 31 December 2019 and has not been specifically prepared for inclusion in this Information Memorandum.

Company Registration No. 200003108H

Banyan Tree Holdings Limited and its subsidiaries

Annual Financial Statements
31 December 2019

Banyan Tree Holdings Limited and its subsidiaries

General information

Directors

Ho KwonPing	(Executive Chairman)
Ariel P Vera	
Chia Chee Ming Timothy	
Fang Ai Lian	
Chan Heng Wing	
Tham Kui Seng	
Lim Tse Ghow Olivier	
Karen Tay Koh	(Appointed on 31 May 2019)
Zhang Xu	
Gaurav Bhushan	
Chew Van Hoong Jason	
Mohamed Al-Hashmi	(Alternate Director to Chew Van Hoong Jason)

Company Secretary

Shelly Yeo Suat Lay

Registered Office

211 Upper Bukit Timah Road
Singapore 588182

Solicitor

WongPartnership LLP

Bankers

Shanghai Pudong Development Bank Co., Ltd. Singapore Branch
Malayan Banking Berhad
Qatar National Bank SAQ
The Siam Commercial Bank Public Company Limited
Hong Kong & Shanghai Banking Corporation Ltd

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Auditor

Ernst & Young LLP
Partner in charge: Simon Yeo (Date of appointment: since financial year ended 31 December 2016)

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The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Banyan Tree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2019.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Ho KwonPing
Ariel P Vera
Chia Chee Ming Timothy
Fang Ai Lian
Chan Heng Wing
Tham Kui Seng
Lim Tse Ghow Olivier
Karen Tay Koh
Zhang Xu
Gaurav Bhushan
Chew Van Hoong Jason
Mohamed Al-Hashmi (Alternate Director to Chew Van Hoong Jason)

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 objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate, other than pursuant to the Banyan Tree Share Option Scheme, the Banyan Tree Performance Share Plan, Banyan Tree Share Award Scheme 2016 and the Founder's Grant.

Banyan Tree Share Option Scheme, Banyan Tree Performance Share Plan and Banyan Tree Share Award Scheme 2016

There are three share-based incentive schemes for its directors and employees, the Banyan Tree Share Option Scheme (the "Share Option Scheme") and a performance share plan known as the Banyan Tree Performance Share Plan (the "Plan") (collectively, the "Schemes") and the Banyan Tree Share Award Scheme 2016 (the "Share Award Scheme"). The Schemes have expired on 27 April 2016 and the Company adopted the Share Award Scheme on 28 April 2016 to replace the Plan. Ho KwonPing, the Executive Chairman and controlling shareholder*, was/is not entitled to participate in the Schemes and Share Award Scheme.

At the date of this statement, the Share Award Scheme is the only share incentive scheme of the Company in force and administered by the Nominating and Remuneration Committee ("NRC") which comprises Chia Chee Ming Timothy, Chan Heng Wing and Lim Tse Ghow Olivier, all of whom are Independent Directors of the Company.

Under the Share Option Scheme (prior to expiry), eligible participants may be granted options to acquire shares in the Company whereas under the Plan (prior to expiry), the Company's shares may be issued to eligible participants. The Schemes and Share Award Scheme enable eligible participants to participate in the equity of the Company with the aim of motivating them towards better performance.

More information about the Schemes and the Share Award Scheme and details of performance shares and awards granted to eligible participants during the financial year under the Plan and the Share Award Scheme, can be found in Note 42 to the financial statements.

Founder's Grant

Ho KwonPing is entitled to, for each financial year for a period of ten years beginning from the financial year ended 31 December 2010, an amount equivalent to 5% of the profit before tax of the Group, such amount to be payable in cash or in shares at the sole discretion of the Company (the "Founder's Grant"). Ho KwonPing shall be paid a total amount of $734,492 in cash pursuant to the Founder's Grant in respect of financial year ended 31 December 2019. Ho KwonPing has requested for payment to be deferred till end 2020. The Board of Directors has approved the deferred payment. Details of the Founder's Grant can be found in Note 42 to the financial statements.

* The term "controlling shareholder" shall have the meaning ascribed to it in the SGX-ST Listing Manual.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, Chapter 50 of Singapore ("Companies Act"), an interest in shares and debentures of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

	Holdings registered in the name of director or nominee			Holdings in which a director is deemed to have an interest		
Name of directors and companies in which interests are held	At the beginning of financial year	At the end of financial year	As at 21 January 2020	At the beginning of financial year	At the end of financial year	As at 21 January 2020
Banyan Tree Holdings Limited ("BTH") (Incorporated in Singapore)						
Ordinary shares						
Ho KwonPing	–	–	–	301,948,882	301,948,882	301,948,882
Ariel P Vera	1,120,500	1,120,500	1,120,500	–	–	–
Chia Chee Ming Timothy	257,000	257,000	257,000	–	–	–
Debentures						
Chan Heng Wing[1]	$250,000	–	–	–	–	–
Fang Ai Lian[2]	$500,000	$500,000	$500,000	–	–	–
Bangtao Laguna Limited (formerly known as Bangtao Development Limited) (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Phuket Grande Resort Limited (formerly known as Phuket Resort Development Limited) (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	1	1	1	–	–	–
Twin Waters Limited (formerly known as Twin Waters Development Company Limited) (Incorporated in Thailand)						
Ordinary shares						
Ho KwonPing	2	2	2	–	–	–

[1] Series 09 Notes under BTH S$700 million Multicurrency Debt Issuance Programme have matured and have been fully repaid and cancelled by BTH on 3 June 2019.

[2] Series 10 Notes issued by BTH under its S$700 million Multicurrency Debt Issuance Programme.

Directors' interests in shares and debentures (cont'd)

By virtue of Section 7 of the Companies Act, Ho KwonPing is deemed to have interests in shares of the subsidiaries held by the Company.

Except as disclosed in the financial statements, no director who held office at the end of the financial year had interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Audit and Risk Committee ("ARC")

As at the date of this statement, the members of the ARC are as follows:

Fang Ai Lian (Chairman)
Tham Kui Seng
Karen Tay Koh

All ARC members are Non-Executive Independent Directors.

The ARC has adopted a Charter that is approved by the Board of Directors (the "Board") and which clearly set out its responsibilities as follows:

1. assisting the Board in the discharge of its statutory responsibilities on financial and accounting matters;

2. review of the audit plans, and the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

3. review of the co-operation given by the Company's officers to the external auditors;

4. making recommendations to the Board on (a) the proposals to the shareholders on the appointment, re-appointment and removal of external auditors, and (b) the remuneration and terms of engagement of the external auditors;

5. review of the significant financial reporting issues and judgements so as to ensure the integrity of any financial information presented to the Company's shareholders; including financial statements of the Group and any announcements relating to the Group's financial performance;

6. review of the assurance from the Executive Chairman, the President & Group Managing Director and the Vice President, Group Corporate Finance on the financial records and financial statements;

7. review of interested person transactions;

8. review at least annually of adequacy and effectiveness of the Company's internal controls and risk management systems, and oversight of the risk management processes and activities to mitigate and manage risk at levels that are determined to be acceptable to the Board;

Audit and Risk Committee ("ARC") (cont'd)

9. where necessary, commission and review of the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation; and

10. review of the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The ARC performed the functions specified in the Companies Act. The functions performed are detailed in the Corporate Governance Report.

Auditor

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

On behalf of the Board of Directors,

Ho KwonPing
Director

Fang Ai Lian
Director

Singapore
16 March 2020

Independent Auditor's Report to the Members of Banyan Tree Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Banyan Tree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2019, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd)

1. ***Adequacy of loss allowance for long-term receivables (non-property sales) and long-term amount due from associates***

As at 31 December 2019, the Group has long-term receivables (non-property sales) of approximately $18.3 million and long-term amount due from associates of approximately $41.0 million (the "Receivables"). The Receivables represent approximately 3.4% of the Group's total assets. Management has assessed if these amounts can be recovered and estimated the amount of loss allowance required when recovery of the full amount is doubtful. The loss allowance of the Receivables is determined by making debtor-specific assessments of expected impairment loss for long overdue receivables and applies the general approach as detailed in Note 2.18 to provide for loss allowance. The assessment of the expected loss allowance requires significant management judgment. As such, we determined this to be a key audit matter.

We assessed the Group's processes and controls for identifying and monitoring of the Receivables. We performed audit procedures, amongst others, requesting confirmations from certain debtors, assessing the facts and circumstances surrounding the outstanding Receivables, and reviewing for evidence of collection by way of receipts from debtors after the year end. We also inquired with management if there is any dispute with the debtors. We evaluated the reasonableness of management's estimate of the future repayment by the debtors, by taking into consideration the debtor's past payment history, nature of business, economic environment and growth strategies as well as management's understanding and assessment of the debtors' plan. In addition, we assessed the reasonableness of the loss rates applied by management, taking into consideration the latest available financial results of the debtors and current economic information in markets where the debtors operate.

The results of our evaluation show that management's assessment of the Group's allowance for the expected losses of the Receivables is reasonable.

We also assessed the adequacy of the Group's disclosures on the Receivables in Notes 19 and 22 and the related risks such as credit risk and liquidity risk in Notes 45(a) and 45(b) to the financial statements.

2. ***Fair value measurement of freehold land and buildings and investment properties***

As at 31 December 2019, the carrying values of freehold land and buildings and investment properties amounted to approximately $600.3 million and $63.5 million respectively. The valuation of freehold land and buildings and investment properties are complex and dependent on a range of estimates (amongst others, discount rates, yield adjustments, and growth rates) made by management. As such, we determined this to be a key audit matter.

The management engaged professional independent valuers to support the determination of the fair value of freehold land and buildings and investment properties. Our audit work in assessing the reasonableness of management's judgments and estimations of these fair values, included among others, considered the objectivity, independence and competency of the external valuers. We held discussions with management and external valuers to understand the valuation models and the basis for the key assumptions used. We assessed the appropriateness of the key assumptions on discount rates, yield adjustments, and growth rates used by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. We also assessed the reasonableness of the fluctuations in the fair value of freehold land and buildings and investment properties.

Independent Auditor's Report to the Members of Banyan Tree Holdings Limited

Key Audit Matters (cont'd)

2. ***Fair value measurement of freehold land and buildings and investment properties (cont'd)***

Based on the work performed, we considered the methodology and key assumptions used by management to be appropriate.

We also assessed the adequacy of the disclosures related to freehold land and buildings and investment properties in Notes 13,14 and 47 to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report to the Members of Banyan Tree Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report to the Members of Banyan Tree Holdings Limited

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Simon Yeo.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

16 March 2020

Banyan Tree Holdings Limited and its subsidiaries

Consolidated income statement
For the financial year ended 31 December 2019

	Note	Group 2019 $'000	2018 $'000
Revenue	3	346,954	329,046
Other income	4	5,827	43,168
		352,781	372,214
Costs and expenses			
Cost of operating supplies		(23,970)	(25,056)
Cost of properties sold		(64,052)	(46,470)
Salaries and related expenses	5	(83,035)	(89,455)
Administrative expenses		(45,118)	(46,720)
Sales and marketing expenses		(15,897)	(19,779)
Other operating expenses	6	(60,537)	(63,728)
Impairment (losses)/gains on financial assets	10	(3,944)	2,127
		(296,553)	(289,081)
Profit before interests, taxes, depreciation and amortisation		56,228	83,133
Depreciation of property, plant and equipment and right-of-use assets	13/37	(22,945)	(20,104)
Amortisation expense		(764)	(2,262)
Profit from operations and other gains	7	32,519	60,767
Finance income	8	7,720	2,769
Finance costs	9	(26,762)	(49,091)
Share of results of associates		479	11,403
Share of results of joint ventures		–	(879)
Profit before taxation		13,956	24,969
Income tax expense	11	(11,427)	(10,576)
Profit after taxation		2,529	14,393
Attributable to:			
Owners of the Company		651	13,471
Non-controlling interests		1,878	922
		2,529	14,393
Earnings per share attributable to owners of the Company (in cents):			
Basic	12	0.08	1.60
Diluted	12	0.08	1.52

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

Banyan Tree Holdings Limited and its subsidiaries

Consolidated statement of comprehensive income
For the financial year ended 31 December 2019

	Group	
	2019 $'000	**2018** $'000
Profit after taxation	2,529	14,393
Other comprehensive income/(expense):		
Items that may be reclassified subsequently to profit or loss		
Realisation of currency translation reserves	–	(4,848)
Exchange differences arising from consolidation of foreign operations and net investment in foreign operations	26,967	2,389
	26,967	(2,459)
Items that will not be reclassified to profit or loss		
Adjustment on property revaluation reserve, net of deferred tax	37,161	–
Net fair value loss on equity instruments at fair value through other comprehensive income	(5,301)	(2,069)
Actuarial loss arising from defined benefit plan, net of deferred tax	(121)	(363)
Share of other comprehensive income of an associate	(8)	–
	31,731	(2,432)
Other comprehensive income/(expense) for the financial year, net of tax	58,698	(4,891)
Total comprehensive income for the financial year	61,227	9,502
Total comprehensive income attributable to:		
Owners of the Company	49,172	4,186
Non-controlling interests	12,055	5,316
	61,227	9,502

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

Banyan Tree Holdings Limited and its subsidiaries

Balance sheets
As at 31 December 2019

	Note	Group		Company	
		2019 $'000	2018 $'000	2019 $'000	2018 $'000
Non-current assets					
Property, plant and equipment	13	699,126	599,435	–	–
Right-of-use assets	37	19,559	–	–	–
Investment properties	14	63,504	51,801	–	–
Intangible assets	15	35,239	33,351	3,414	2,828
Land use rights	16	2,559	2,201	–	–
Subsidiaries	17	–	–	630,067	559,473
Associates	19	161,236	161,079	3,488	6,137
Long-term investments	20	100,697	102,002	–	–
Deferred tax assets	38	23,369	18,951	–	–
Prepaid island rental	21	19,020	20,029	–	–
Prepayments		385	292	–	–
Long-term receivables	22	50,288	43,130	12,553	12,553
Other receivables	23	5,599	1,375	–	–
		1,180,581	1,033,646	649,522	580,991
Current assets					
Property development costs	24	318,187	279,977	–	–
Inventories	25	5,967	6,229	–	–
Prepayments and other non-financial assets	26	17,855	19,630	251	291
Trade receivables	27	40,305	38,057	4,008	3,254
Other receivables	28	16,247	18,983	1,915	7,292
Contract assets	3	2,638	1,752	–	–
Amounts due from subsidiaries	29	–	–	182,467	196,282
Amounts due from associates	30	4,631	3,070	19	22
Amounts due from related parties	31	26,656	26,276	–	–
Cash and short-term deposits	32	130,802	206,181	88,124	162,087
		563,288	600,155	276,784	369,228
Total assets		1,743,869	1,633,801	926,306	950,219

Banyan Tree Holdings Limited and its subsidiaries

Balance sheets
As at 31 December 2019

	Note	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Current liabilities					
Tax payable		10,400	11,700	–	73
Other non-financial liabilities	33	15,593	13,502	732	879
Interest-bearing loans and borrowings	34	177,966	90,486	63,600	23,600
Notes payable	35	99,926	124,690	99,926	124,690
Trade payables		31,120	24,363	–	–
Other payables	36	120,401	126,720	65,713	69,287
Contract liabilities	3	55,034	46,767	–	–
Lease liabilities	37	1,428	–	–	–
Amounts due to subsidiaries	29	–	–	20,522	68,576
Amounts due to associates	30	17,899	17,882	17,831	17,831
Amounts due to related parties	31	2,657	2,352	15	12
		532,424	458,462	268,339	304,948
Net current assets		30,864	141,693	8,445	64,280
Non-current liabilities					
Deferred tax liabilities	38	136,080	113,445	–	–
Defined and other long-term employee benefits	39	4,236	3,336	–	–
Deposits received		2,108	2,068	–	–
Other non-financial liabilities		3,696	3,598	–	–
Interest-bearing loans and borrowings	34	281,660	230,630	46,033	48,633
Notes payable	35	–	99,926	–	99,926
Other payables		2,810	2,581	–	–
Lease liabilities	37	33,442	–	–	–
Amounts due to subsidiaries		–	–	136,073	180,866
		464,032	455,584	182,106	329,425
Total liabilities		996,456	914,046	450,445	634,373
Net assets		747,413	719,755	475,861	315,846
Equity attributable to owners of the Company					
Share capital	40	241,520	241,520	241,520	241,520
Treasury shares	41	(900)	(1,149)	(900)	(1,149)
Reserves	41	433,615	405,757	235,241	75,475
		674,235	646,128	475,861	315,846
Non-controlling interests		73,178	73,627	–	–
Total equity		747,413	719,755	475,861	315,846

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

Banyan Tree Holdings Limited and its subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2019

Group	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 41(f)	Accumu-lated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2019											
At 1 January 2019 as previously reported	241,520	(1,149)	8,187	8,280	177,497	(40,770)	26,402	226,161	646,128	73,627	719,755
Effect of adopting SFRS(I) 16	–	–	–	–	–	–	–	(12,195)	(12,195)	(6)	(12,201)
At 1 January 2019, as restated	241,520	(1,149)	8,187	8,280	177,497	(40,770)	26,402	213,966	633,933	73,621	707,554
Profit after taxation	–	–	–	–	–	–	–	651	651	1,878	2,529
Other comprehensive income for the financial year	–	–	–	–	32,161	21,790	(5,301)	(129)	48,521	10,177	58,698
Total comprehensive income for the financial year	–	–	–	–	32,161	21,790	(5,301)	522	49,172	12,055	61,227
Contributions by and distributions to owners											
Dividends paid on ordinary shares	–	–	–	–	–	–	–	(8,818)	(8,818)	–	(8,818)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	249	(248)	–	–	–	(1)	–	–	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	172	–	–	–	–	–	172	–	172
Total transactions with owners in their capacity as owners	–	249	(76)	–	–	–	(1)	(8,818)	(8,646)	–	(8,646)

Banyan Tree Holdings Limited and its subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2019

Group	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 41(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2019											
Other changes in equity											
Dividends paid to loan stockholders of a subsidiary	–	–	–	–	–	–	–	(224)	(224)	–	(224)
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	(12,498)	(12,498)
Transfer to accumulated profits upon disposal of asset	–	–	–	–	(935)	–	–	935	–	–	–
Total other changes in equity	–	–	–	–	(935)	–	–	711	(224)	(12,498)	(12,722)
At 31 December 2019	241,520	(900)	8,111	8,280	208,723	(18,980)	21,100	206,381	674,235	73,178	747,413

Banyan Tree Holdings Limited and its subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2019

Group	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 41(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2018											
At 1 January 2018 as previously reported	241,520	(142)	7,976	8,280	182,107	(33,865)	(19,409)	214,159	600,626	176,910	777,536
Effect of adopting SFRS(I) *	–	–	–	–	–	–	(2,849)	2,849	–	–	–
At 1 January 2018, as restated	241,520	(142)	7,976	8,280	182,107	(33,865)	(22,258)	217,008	600,626	176,910	777,536
Profit after taxation	–	–	–	–	–	–	–	13,471	13,471	922	14,393
Other comprehensive income for the financial year	–	–	–	–	–	(6,905)	(2,069)	(311)	(9,285)	4,394	(4,891)
Total comprehensive income for the financial year	–	–	–	–	–	(6,905)	(2,069)	13,160	4,186	5,316	9,502
Contributions by and distributions to owners											
Dividends paid on ordinary shares	–	–	–	–	–	–	–	(8,404)	(8,404)	–	(8,404)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	140	(121)	–	–	–	(19)	–	–	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	332	–	–	–	–	–	332	–	332
Acquisition of Treasury shares	–	(1,147)	–	–	–	–	–	–	(1,147)	–	(1,147)
Total contributions by and distributions to owners	–	(1,007)	211	–	–	–	(19)	(8,404)	(9,219)	–	(9,219)

* The reclassification relates to prior year accumulated fair value gain or loss and impairment of assets available for sale from opening accumulated profits to other reserves for the adoption of SFRS(I) 9.

Banyan Tree Holdings Limited and its subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2019

Group	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Legal reserve $'000	Property revaluation reserve $'000	Currency translation reserve $'000	Other reserves $'000 Note 41(f)	Accumulated profits $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
2018											
Changes in ownership interests in subsidiary											
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	48,002	–	48,002	(105,490)	(57,488)
Decrease in non-controlling interests without a change in control	–	–	–	–	–	–	2,746	–	2,746	(2,746)	–
Total changes in ownership interests in subsidiary	–	–	–	–	–	–	50,748	–	50,748	(108,236)	(57,488)
Total transactions with owners in their capacity as owners	–	(1,007)	211	–	–	–	50,729	(8,404)	41,529	(108,236)	(66,707)
Other changes in equity											
Disposal of subsidiaries	–	–	–	–	(4,287)	–	–	4,287	–	–	–
Dividends paid to loan stockholders of a subsidiary	–	–	–	–	–	–	–	(213)	(213)	–	(213)
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	–	–	(363)	(363)
Transfer to accumulated profits upon disposal of asset	–	–	–	–	(323)	–	–	323	–	–	–
Total other changes in equity	–	–	–	–	(4,610)	–	–	4,397	(213)	(363)	(576)
At 31 December 2018	241,520	(1,149)	8,187	8,280	177,497	(40,770)	26,402	226,161	646,128	73,627	719,755

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

Banyan Tree Holdings Limited and its subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2019

Company	Share capital $'000	Treasury shares $'000	Share-based payment reserve $'000	Other reserves $'000 Note 41(f)	Accumulated profits $'000	Total equity $'000
At 1 January 2019	241,520	(1,149)	8,187	4,664	62,624	315,846
Profit after taxation	–	–	–	–	168,661	168,661
Total comprehensive income for the financial year	–	–	–	–	168,661	168,661
Contributions by and distributions to owners						
Dividends paid on ordinary shares	–	–	–	–	(8,818)	(8,818)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	249	(248)	(1)	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	172	–	–	172
Total transactions with owners in their capacity as owners	–	249	(76)	(1)	(8,818)	(8,646)
At 31 December 2019	241,520	(900)	8,111	4,663	222,467	475,861
At 1 January 2018	241,520	(142)	7,976	4,683	79,364	333,401
Loss after taxation	–	–	–	–	(8,336)	(8,336)
Total comprehensive loss for the financial year	–	–	–	–	(8,336)	(8,336)
Contributions by and distributions to owners						
Dividends paid on ordinary shares	–	–	–	–	(8,404)	(8,404)
Treasury shares reissued pursuant to Share-based Incentive Plan	–	140	(121)	(19)	–	–
Issuance of share grants pursuant to Share-based Incentive Plan	–	–	332	–	–	332
Acquisition of Treasury shares	–	(1,147)	–	–	–	(1,147)
Total transactions with owners in their capacity as owners	–	(1,007)	211	(19)	(8,404)	(9,219)
At 31 December 2018	241,520	(1,149)	8,187	4,664	62,624	315,846

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

Banyan Tree Holdings Limited and its subsidiaries

Consolidated cash flow statement
For the financial year ended 31 December 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit before taxation		13,956	24,969
Adjustments for:			
Share of results of associates		(479)	(11,403)
Share of results of joint ventures		–	879
Depreciation of property, plant and equipment and right-of-use assets	13/37	22,945	20,104
Loss on disposal of property, plant and equipment, net	7	154	294
Write-off of property, plant and equipment	7	882	18
Write-off of investment property	7	415	–
Impairment loss on property, plant and equipment	7	5,811	–
Impairment loss on intangible assets	7	–	284
Finance income	8	(7,720)	(2,769)
Finance costs	9	26,762	49,091
Amortisation expense		764	2,262
Impairment losses/(gains) on financial assets	10	3,944	(2,127)
Allowance for inventory obsolescence	7	46	92
Defined and other long-term employee benefits expense	39	785	520
Share-based payment expenses	5	245	337
Gain on disposal of subsidiaries	4	–	(12,459)
Gain on disposal of joint venture	18	–	(25,155)
Fair value gain on derivatives	4	–	(368)
Net fair value gain on investment properties	14	(3,736)	(2,118)
Currency realignment		115	(2,362)
		50,933	15,120
Operating profit before working capital changes		64,889	40,089
Decrease in inventories		549	384
Increase in property development costs		(21,987)	(3,463)
Increase in trade and other receivables and contract assets		(20,546)	(3,608)
Decrease in amounts due from related parties		3,116	12,007
Increase in trade and other payables, and contract liabilities		3,608	11,734
		(35,260)	17,054
Cash flows generated from operating activities		29,629	57,143
Interest received		3,908	2,453
Interest paid		(24,037)	(32,093)
Tax paid		(8,644)	(7,311)
Payment of employee benefits	39	(262)	(537)
Payment of cash-settled share grants		(82)	(52)
Payment of lease rental	21	–	(1,302)
Net cash flows generated from operating activities		512	18,301

Banyan Tree Holdings Limited and its subsidiaries

Consolidated cash flow statement
For the financial year ended 31 December 2019

	Note	2019 $'000	2018 $'000
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(47,863)	(27,543)
Proceeds from disposal of property, plant and equipment		579	317
Additions to land use rights	16	(120)	–
Increase in investment in associates	19	(123)	(18,800)
Increase in long-term investments		(81)	–
Acquisition of non-controlling interest	17	–	(57,488)
Dividend income from an associate		1,220	1,183
Purchase of investment properties	14	(3,680)	(728)
Proceeds from disposal of subsidiaries, net of cash disposed	17	–	87,062
Proceeds from disposal of joint venture	18	–	78,607
Additions to intangible assets	15	(657)	–
Net cash flows (used in)/generated from investing activities		(50,725)	62,610
Cash flows from financing activities			
Proceeds from bank loans		265,124	225,108
Repayment of bank loans		(143,113)	(129,308)
Repayment of notes payable		(125,000)	(120,000)
Payment of principal portion of lease liabilities		(2,698)	–
Payment of dividends			
- by subsidiaries to non-controlling interests		(12,498)	(363)
- by subsidiaries to loan stockholders		(224)	(213)
- by Company to shareholders		(8,818)	(8,404)
Purchase of treasury shares		–	(1,147)
Net cash flows used in financing activities		(27,227)	(34,327)
Net (decrease)/increase in cash and cash equivalents		(77,440)	46,584
Net foreign exchange difference		2,061	609
Cash and cash equivalents at beginning of the financial year		206,181	158,988
Cash and cash equivalents at end of the financial year	32	130,802	206,181

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

1. Corporate information

Banyan Tree Holdings Limited (the "Company") is a limited liability company, which is incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office of the Company is located at 211 Upper Bukit Timah Road, Singapore 588182.

The principal activities of the Company are those of investment holding and the provision of project design and management services. The principal activities of the subsidiaries are set out in Note 17 to the financial statements. There have been no significant changes in the nature of these activities during the year.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for the annual financial periods beginning on or after 1 January 2019. The adoption of these standards except for SFRS(I) 16, did not have any material effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes FRS 17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under SFRS(I) 16 is substantially unchanged from FRS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in FRS 17. Therefore, SFRS(I) 16 did not have an impact for leases where the Group is the lessor.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the cumulative effect of initially applying this standard was recognised as an adjustment to the opening balance of retained earnings at the date of initial application. The Group elected to use the transition practical expedient not to reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying FRS 17 and SFRS(I) INT 4 at the date of initial application.

The effect of adoption of SFRS(I) 16 as at 1 January 2019 (increase/(decrease)) is, as follows:

	Group S$'000
Assets	
Right-of-use assets (Note 37)	20,478
Deferred tax assets	2,166
Prepaid island rental (Note 21)	(1,207)
Prepayments and other non-financial assets	(141)
Total assets	**21,296**
Liabilities	
Lease liabilities (Note 37)	33,497
Total liabilities	**33,497**
Total adjustment on equity:	
Retained earnings	(12,195)
Non-controlling interests	(6)
	(12,201)

The Group has lease contracts for land and buildings. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.25 Leases for the accounting policy before 1 January 2019.

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

SFRS(I) 16 *Leases* (cont'd)

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.25 Leases for the accounting policy before 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at 1 January 2019:

- Right-of-use assets of $20,478,000 were recognised and presented separately in the balance sheets.
- Prepaid island rental of $1,207,000 and prepayments and other non-financial assets of $141,000 related to previous operating leases were derecognised.
- Additional lease liabilities of $33,497,000 were recognised.
- Deferred tax assets increased by $2,166,000 because of the deferred tax impact of the changes in assets and liabilities.
- The net effect of these adjustments had been adjusted to retained earnings $(12,195,000) and non-controlling interests $(6,000).

2. Summary of significant accounting policies (cont'd)

2.2 *Changes in accounting policies (cont'd)*

Leases previously accounted for as operating leases (cont'd)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	Group $'000
Operating lease commitments as at 31 December 2018 (Note 43(b))	73,663
Less: Commitments relating to short-term leases	(429)
	73,234
Weighted average incremental borrowing rate as at 1 January 2019	6.79%
Discounted operating lease commitments as at 1 January 2019	33,497
Lease liabilities as at 1 January 2019	33,497

2.3 *Standards issued but not yet effective*

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 *Definition of Material*	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

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

2.4 *Significant accounting estimates and judgments*

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgments (cont'd)*

(a) ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) *Impairment of intangible assets*

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangibles are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of goodwill and trademarks including a sensitivity analysis, are given in Note 15 to the financial statements.

(ii) *Depreciation of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. The carrying amounts of the Group's property, plant and equipment at 31 December 2019 are disclosed in Note 13 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

(iii) *Provision for loss allowance for trade and non-trade receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effects in the economic conditions in which the debtor operates in.

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgments (cont'd)*

(a) ***Key sources of estimation uncertainty (cont'd)***

(iii) *Provision for loss allowance for trade and non-trade receivables (cont'd)*

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's trade and non-trade receivables at the end of each reporting period are disclosed in Note 47(h) to the financial statements.

The Group uses the general and simplified approaches to calculate the allowance for expected credit losses ("ECLs") for its trade and non-trade receivables. Under the general approach, the Group would assess if there is any significant increase in credit risk of the debtors, by evaluating qualitative and quantitative factors that are indicative of the risk of default (including but not limited to the latest available financial results, repayment history, economic environment and cash flow projections, if available, and applying the loss rates). The loss allowance is measured on the 12-month expected credit loss basis, if it is assessed that there has not been a significant increase in credit risk of the debtors since initial recognition.

For the simplified approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward looking information. At every reporting date, historical default rates are updated and changes in the forward looking estimates are analysed.

The assessment of the estimated future repayments, historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and non-trade receivables is disclosed in Note 45(a).

The carrying amounts of trade and non-trade receivables as at 31 December 2019 are disclosed in Notes 27, 22, 19, 31, 3, 30, 23 and 28.

(iv) *Deferred tax assets*

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgments (cont'd)*

(a) ***Key sources of estimation uncertainty (cont'd)***

(iv) *Deferred tax assets (cont'd)*

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses. The carrying values of recognised tax losses and unrecognised tax losses at 31 December 2019 are $35,599,000 (2018: $44,003,000) and $34,004,000 (2018: $33,500,000).

(v) *Revaluation of freehold and investment properties*

The Group carries its freehold and investment properties at fair value, with changes in fair values being recognised in other comprehensive income and profit or loss respectively.

The Group engaged professional independent valuers to determine the fair values for its freehold properties and investment properties in Singapore, Thailand, Sri Lanka and Morocco on a regular basis. The fair value is determined using recognised valuation techniques which require the use of estimates such as market comparables, future cash flows and discount rates applicable to these assets. These estimates are based on local market conditions existing at each valuation date.

The carrying amount, key assumptions and valuation techniques used to determine the fair value of the freehold and investment properties of the Group are stated in Notes 13, 14 and 47 respectively.

(vi) *Fair value of financial instruments*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select the appropriate valuation model and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The inputs to this model are derived from market data where possible, but where not feasible, a degree of judgment is required in establishing fair values. For details of the valuation method and key assumptions used, refer to Notes 47(d) and 20.

2. Summary of significant accounting policies (cont'd)

2.4 *Significant accounting estimates and judgments (cont'd)*

(b) ***Judgments made in applying accounting policies***

In the process of applying the Group's accounting policies, management has made the following judgments which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) *Investment in associates*

Management has assessed and is of the view that the Group exercises significant influence over associates, as disclosed in Note 19, notwithstanding that the Group holds less than 20% voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board/governing committees of these entities.

(ii) *Income taxes*

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and net deferred tax liabilities at 31 December 2019 are $10,400,000 (2018: $11,700,000) and $112,711,000 (2018: $94,494,000) respectively.

(iii) *Determination of functional currency*

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

2.5 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

2. Summary of significant accounting policies (cont'd)

2.5 *Foreign currency (cont'd)*

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.6 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2. Summary of significant accounting policies (cont'd)

2.7 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

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

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

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

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

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

- de-recognises the assets (including goodwill) and liabilities for the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interests;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.7 *Basis of consolidation and business combinations (cont'd)*

(b) ***Business combinations and goodwill (cont'd)***

Non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.8 *Transactions with non-controlling interests*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

2.9 *Joint ventures and associates*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

2. Summary of significant accounting policies (cont'd)

2.9 *Joint ventures and associates (cont'd)*

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains or losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

Where the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.10 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.21. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost or valuation less accumulated depreciation and any accumulated impairment losses. The Group segregates land and buildings into two classes: leasehold and freehold. For leasehold land and buildings, the Group adopts the cost model and no revaluation will be carried out on these classes of assets. For freehold land and buildings, the Group adopts the revaluation model. Fair value is determined based on appraisal undertaken by professional independent valuers, using market-based evidence.

2. Summary of significant accounting policies (cont'd)

2.10 *Property, plant and equipment (cont'd)*

Valuations are performed with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the end of the reporting period.

When an asset is revalued, any increase in the carrying amount is credited to other comprehensive income and accumulated in equity under the property revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the property revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the property revaluation reserve in respect of an asset is transferred directly to accumulated profits on retirement or disposal of the asset.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction-in-progress included in property, plant and equipment are not depreciated as these assets are not available for use. Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold buildings	-	40 to 50 years
Leasehold buildings	-	10 to 50 years
Furniture, fittings and equipment	-	3 to 20 years
Computers	-	3 years
Motor vehicles	-	5 to 10 years

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

2.11 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2. Summary of significant accounting policies (cont'd)

2.11 *Investment properties (cont'd)*

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.10 up to the date of change in use.

2.12 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives except those classified as other intangible assets are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

(a) ***Trademarks***

The trademarks acquired are measured on initial recognition at cost. Following initial recognition, the trademarks are carried at cost less any accumulated impairment loss. The useful life of trademarks is estimated to be indefinite as management believes that there is no foreseeable limit to the period over which the trademarks are expected to generate net cash flows for the Group.

(b) ***Other intangible assets***

Sales commission costs arising from property sales are recognised as an intangible asset when the Group can demonstrate that these are incremental costs directly attributable to securing a property sales contract and are recoverable in the gross margin of the contract. Incremental cost is one that would not have been incurred if the Group had not secured the property sales contract.

2. Summary of significant accounting policies (cont'd)

2.12 *Intangible assets (cont'd)*

(b) ***Other intangible assets (cont'd)***

Following initial recognition of the sales commission costs as an intangible asset, it is carried at cost and expensed off to profit or loss upon the recognition of revenue from property sales.

(c) ***Club membership***

Club membership was acquired separately and is amortised on a straight-line basis over its remaining useful life of underlying assets.

2.13 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Reversal of an impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as a revaluation increase recognised in other comprehensive income. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2. Summary of significant accounting policies (cont'd)

2.14 *Financial instruments*

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) ***Amortised cost***

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at fair value and subsequently at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

2. Summary of significant accounting policies (cont'd)

2.14 ***Financial instruments (cont'd)***

(a) ***Financial assets (cont'd)***

Subsequent measurement (cont'd)

Investments in debt instruments (cont'd)

(ii) ***Fair value through other comprehensive income ("FVOCI")***

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) ***Fair value through profit or loss***

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

- The contractual rights to receive cash flows from the asset has expired; or

2. Summary of significant accounting policies (cont'd)

2.14 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

De-recognition (cont'd)

- The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in a 'pass-through' arrangement; or

- The Group has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities include trade payables, which are normally settled on 30 to 90 days' terms, other payables, amounts due to subsidiaries, associates and related parties, interest-bearing loans and borrowings, and notes payable.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.14 *Financial instruments (cont'd)*

(b) ***Financial liabilities (cont'd)***

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) ***Derivative financial instruments***

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at their fair values at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

Any gains or losses arising from the changes in fair value are recognised in profit or loss.

2.15 *Long-term investments*

Investment securities under long-term investments are classified as equity investments at FVOCI.

2.16 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.17 *Property development costs*

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value. Costs comprise cost of land, design fee, infrastructure and construction and related interest and are assigned by using specific identification. Included in the property development costs are completed properties which are held for sale in the ordinary course of business.

Non-refundable commissions paid to sales or marketing agents on the sale are capitalised and amortised to profit or loss when the Group recognises the related revenue.

Net realisable value of the development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2. Summary of significant accounting policies (cont'd)

2.18 *Impairment of financial assets*

The Group recognises an allowance for ECLs for all non-trade financial assets at amortised costs. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages under the general approach. For credit exposures which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, contract assets, amounts due from associates (trade) and amounts due from related parties (trade), the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on geographical locations, aging of the debts and historical information that reflects high levels of default risk (e.g. in financial difficulty, outstanding legal law suits and amounts in dispute).

The Group considers a financial asset in default when contractual payments are 90 days past due or if there are significant deterioration in credit rating. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.19 *Inventories*

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Food and beverage - cost of purchase on a weighted average basis;
- Trading goods and supplies - cost of purchase on a weighted average basis; and
- Materials and others - cost of purchase on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2. Summary of significant accounting policies (cont'd)

2.20 *Segment reporting*

For management reporting purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 48, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.21 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.23 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.18 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2. Summary of significant accounting policies (cont'd)

2.24 *Employee benefits*

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes and defined contribution plans are recognised as an expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) ***Share-based payment***

Performance share plan and restricted share plan

The Group's Performance Share Plan ("PSP") and Restricted Share Plan ("RSP") are both equity-settled and cash-settled share-based payment transactions.

The cost of these equity-settled share-based payment transactions is measured by reference to the fair value at the date of grant. This cost is recognised in profit or loss, with a corresponding increase in the share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The cost of cash-settled share-based payment transactions is measured initially at fair value at the grant date. This fair value is recognised in profit or loss over the vesting period with recognition of a corresponding liability. At the end of each reporting period, the Group revises its estimates of the number of PSP and RSP shares that are expected to vest on vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to liability over the remaining vesting period. Until the liability is settled, it is re-measured at each reporting date with changes in fair value recognised in profit or loss and a corresponding adjustment to liability for the period.

The share-based payment reserve is transferred to accumulated profits reserve upon expiry of the plan. Where shares are issued under the PSP or RSP, the share-based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the plan is satisfied by the reissuance of treasury shares.

2. Summary of significant accounting policies (cont'd)

2.24 *Employee benefits (cont'd)*

(c) ***Share-based payment (cont'd)***

Performance share plan and restricted share plan (cont'd)

No expense is recognised for shares under both PSP and RSP that do not ultimately vest, except where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation.

(d) ***Post employment benefits and other long term employment benefits plans***

The subsidiaries in Thailand operate two unfunded benefit schemes, Legal Severance Pay ("LSP") and Long Service Award ("LSA") for qualifying employees.

The LSP scheme is a defined benefit plan which pays employees a lump sum benefit computed based on their number of years of service and their basic salary upon retirement or early termination of their employment contracts.

The LSA scheme is a long-term employee benefit which rewards employees in cash and/or in gold. To be entitled to the award, employees will have to complete certain number of years of service with the Group.

The benefit schemes are assessed using the projected unit credit actuarial valuation method. The cost of providing for the employee benefits are charged to profit or loss so as to spread the service cost over the service lives of employees in accordance with the actuarial valuation carried out during the year. The provision for the employee benefits is measured as the present value of the estimated future cash outflows by reference to the interest rates of government bonds in Thailand that have terms to maturity approximating the terms of the related liabilities. Actuarial gains and losses arising from LSP are recognised in other comprehensive income and for those arising from LSA to be recognised in profit or loss in the year these gains and losses arise.

The unvested past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested, immediately following the introduction of, or changes to, a scheme, past service costs are recognised immediately.

2. Summary of significant accounting policies (cont'd)

2.24 *Employee benefits (cont'd)*

(e) ***Defined benefits plans***

The subsidiaries in Indonesia are required to provide a minimum pension benefit ("MPB") under the Indonesian Labour Law, which represents an underlying defined benefit obligation. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of high-quality long-term bonds that are denominated in Indonesian rupiah in which the benefits will be paid and that have terms of maturity similar to the related pension liability.

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier between:

(i) the date of the plan amendment or curtailment, and

(ii) the date the related restructuring costs and termination benefits are recognised.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The following changes in the net defined benefit obligation are recognised in the profit or loss:

(i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements, and

(ii) Net interest expense or income.

2.25 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) ***As lessee***

Policy applicable from 1 January 2019

The Group applies a single recognition and measurement approach for all leases, except for leases of 'low value' assets and short-term leases. The Group recognises lease liabilities to make a lease payment and right-of-use assets representing the right to use the underlying assets during the lease term.

2. Summary of significant accounting policies (cont'd)

2.25 ***Leases (cont'd)***

(a) ***As lessee (cont'd)***

Policy applicable from 1 January 2019 (cont'd)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	-	34 to 44 years
Buildings	-	2 to 4 years

If the ownership of the lease asset transfers to the Group at the end of the lease or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment of non-financial assets is set out in Note 2.13.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payments occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilites is remeasured if there is a modification, a change in the lease term, a change in the lease payments (eg. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Summary of significant accounting policies (cont'd)

2.25 ***Leases (cont'd)***

(a) ***As lessee (cont'd)***

Policy applicable from 1 January 2019 (cont'd)

(ii) Lease liabilities (cont'd)

The weighted average incremental borrowing rate used by the Group is disclosed in Note 2.2.

(iii) Short-term leases and leases of 'low value' assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Policy applicable prior to 1 January 2019

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) ***As lessor***

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.27(i).

2. Summary of significant accounting policies (cont'd)

2.26 *Prepaid island rental and land use rights*

Prepaid island rental and land use rights are initially measured at cost. Following initial recognition, prepaid island rental and land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The prepaid island rental and land use rights are amortised over the lease term as stipulated in the respective island rental and land use rights agreements.

2.27 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) *Hotel investments*

Revenue from hotel investments mainly comprises room rental, food and beverage sales and auxiliary activities, and represents the invoiced value of services rendered after deducting discounts. Revenue is recognised at a point in time when the services are rendered.

(b) *Property sales*

- Sale of completed development property

A development property is regarded as sold when the significant risks and returns have been transferred to the buyer at a point in time, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

- Sale of development property under construction

Where development property is under construction and agreement has been reached to sell such property when construction is completed, revenue is recognised at a point in time when the significant risks and rewards of ownership of the property have been transferred to the buyer (i.e. revenue is recognised at a point in time).

2. Summary of significant accounting policies (cont'd)

2.27 ***Revenue (cont'd)***

(c) *Management services*

Management services comprises the management of hotels and resorts, the management of an asset-backed club, the management of private-equity funds and the management of golf courses.

Revenue from management services is recognised at a point in time as and when performance obligations relating to the relevant services are rendered. This is based on allocating the transaction price, including estimating stand-alone selling prices of each of the services provided.

(d) *Spa operation*

Revenue from operating spas is recognised at a point in time as and when the relevant services are rendered.

(e) *Merchandise sales*

Revenue is recognised at a point in time when the significant risks and rewards of ownership of the goods have been transferred to the customer, and generally coincides with delivery and acceptance of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods.

Payment of the transaction price is due immediately at the point the customer purchases the goods for retail customer. Otherwise, invoices are issued on a monthly basis and are payable within 30 days.

(f) *Project and design services*

Revenue from the provision of project design and design services is recognised over time based on completion of certain performance obligation according to the stage of completion as certified by qualified professionals.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified project milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer.

(g) *Dividend income*

Dividend income is recognised in profit or loss when the Group's right to receive payment is established.

(h) *Interest income*

Interest income is recognised using the effective interest method.

2. Summary of significant accounting policies (cont'd)

2.27 *Revenue (cont'd)*

(i) *Rental income*

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2.28 *Taxes*

(a) ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences, and carry-forward of unused tax credits and unused tax losses can be utilised.

2. Summary of significant accounting policies (cont'd)

2.28 *Taxes (cont'd)*

(b) ***Deferred tax (cont'd)***

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction of goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

(c) ***Sales tax***

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.29 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Summary of significant accounting policies (cont'd)

2.30 *Treasury shares*

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. When treasury shares are subsequently sold or reissued pursuant to equity compensation plans, the cost of treasury shares is reversed from treasury shares account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.31 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.32 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

  (i) has control or joint control over the Company;

  (ii) has significant influence over the Company; or

  (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

2. Summary of significant accounting policies (cont'd)

2.32 ***Related parties (cont'd)***

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Revenue

(a) Disaggregation of revenue

Revenue of the Group represents revenue from operation and management of hotels, property sales and fee-based segment after eliminating intercompany transactions. The amount of each significant category of revenue recognised during the year is as follows:

Segments	Hotel investments		Property sales		Fee-based segment		Total revenue	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Primary geographical markets								
Singapore	–	–	–	–	964	768	964	768
South East Asia	134,374	135,888	114,223	76,959	40,874	39,907	289,471	252,754
Indian Oceania	37,569	55,192	–	–	706	1,972	38,275	57,164
Middle East	–	–	–	–	583	697	583	697
North East Asia	–	–	–	–	9,048	9,199	9,048	9,199
Rest of the world	1,747	1,444	–	–	6,866	7,020	8,613	8,464
	173,690	192,524	114,223	76,959	59,041	59,563	346,954	329,046

3. Revenue (cont'd)

(a) Disaggregation of revenue (cont'd)

Segments	Hotel investments		Property sales		Fee-based segment		Total revenue	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Major product or service lines								
Hotel investments	173,690	192,524	–	–	–	–	173,690	192,524
Property sales	–	–	114,223	76,959	–	–	114,223	76,959
Management services	–	–	–	–	31,230	31,328	31,230	31,328
Spa operation	–	–	–	–	11,057	12,531	11,057	12,531
Project and design services	–	–	–	–	4,498	3,961	4,498	3,961
Merchandise sales	–	–	–	–	8,201	7,533	8,201	7,533
Rental income	–	–	–	–	4,055	4,210	4,055	4,210
	173,690	192,524	114,223	76,959	59,041	59,563	346,954	329,046
Timing of transfer of goods or services								
At a point in time	173,690	192,524	114,223	76,959	50,179	51,068	338,092	320,551
Over time	–	–	–	–	8,862	8,495	8,862	8,495
	173,690	192,524	114,223	76,959	59,041	59,563	346,954	329,046

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2019 $'000	2018 $'000
Long-term receivables – Trade (Note 22)	50,288	43,130
Trade receivables (Note 27)	40,305	38,057
Contract assets	2,638	1,752
Contract liabilities	(55,034)	(46,767)

The Group has recognised write back on impairment losses on receivables arising from contracts with customers amounting to $67,000 (2018: $2,290,000).

3. Revenue (cont'd)

(b) Contract assets and contract liabilities (cont'd)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for project and design services. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advances from customers for project and design services, hotel operations and property sales.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) Significant changes in contract assets are explained as follows:

	Group	
	2019	**2018**
	$'000	$'000
Contract asset reclassified to receivables	(1,752)	(286)

(ii) Significant changes in contract liabilities are explained as follows:

	Group	
	2019	**2018**
	$'000	$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	30,834	39,510

(c) Transaction price allocated to remaining performance obligations

Property sales

The Group expects to recognise $178,222,000 (2018: $189,910,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 within the next 3 years.

Management services

Other than revenue from the management of hotels and resorts, the Group expects to recognise $3,831,000 (2018: $1,366,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 within the next 3 years.

3. Revenue (cont'd)

(c) Transaction price allocated to remaining performance obligations (cont'd)

Spa operation

The Group expects to recognise $1,116,000 (2018: $1,422,000) as management fees relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 within the next 3 years.

Project and design services

The Group expects to recognise $2,849,000 (2018: $4,024,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 within the next 3 years.

The above amounts have not included the following:

- Performance obligations for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if:
  - The performance obligation is part of a contract that has an original expected duration of one year or less, or
  - The Group recognises revenue from the management of hotels and resorts based on the underlying hotel performance completed to date.
- Variable consideration that is constrained and therefore is not included in the transaction price.

4. Other income

	Group	
	2019	**2018**
	$'000	$'000
Management and service fees	205	111
Insurance claims	–	575
Net fair value gain on investment properties (Note 14)	3,736	2,118
Gain on disposal of investment in subsidiaries (Note 17)	–	12,459
Gain on disposal of joint venture (Note 18)	–	25,155
Net fair value gain on derivatives	–	368
Rental income	797	795
Others	1,089	1,587
	5,827	43,168

5. Salaries and related expenses

	Group	
	2019	2018
	$'000	$'000
Salaries, wages and other related costs	79,164	85,193
Defined and other long-term employee benefits expense (Note 39)	785	520
Share-based payment expenses	245	337
Contributions to defined contribution plans	2,841	3,405
The above amounts include salaries and related expenses of key management personnel	83,035	89,455

6. Other operating expenses

The following items have been included in arriving at other operating expenses:

	Group	
	2019	2018
	$'000	$'000
Utilities and communication	15,508	15,917
Repair and maintenance	11,362	11,172
Printing and stationery	1,697	1,803
Travelling and transportation	2,954	1,818
Commission expenses	9,344	8,883
Laundry and valet	2,166	2,063
Guest expendable supplies	5,058	5,356

7. Profit from operations and other gains

Profit from operations is stated after (crediting)/charging:

	Group	
	2019	2018
	$'000	$'000
Audit fees:		
- Auditor of the Company	428	410
- Other auditors	717	715
Non-audit fees:		
- Auditor of the Company	14	20
- Other auditors	9	9
Allowance for inventory obsolescence (Note 25)	46	92
Write-off of property, plant and equipment (Note 13)	882	18
Write-off of investment property (Note 14)	415	–
Impairment loss on property, plant and equipment (Note 13)	5,811	–
Impairment loss on intangible assets (Note 15)	–	284
Exchange (gain)/loss	(2,275)	239
Loss on disposal of property, plant and equipment, net	154	294

8. Finance income

	Group	
	2019	2018
	$'000	$'000
Interest received and receivable from:		
- Banks	1,686	935
- Related parties	2	1
- Interest accretion on amount due from associates (Note 19)	3,033	–
- Others	2,999	1,833
	7,720	2,769

The finance income of the Group is mainly derived from loans and receivables.

9. Finance costs

	Group	
	2019	2018
	$'000	$'000
Interest expense on:		
- Bank loans, notes payable and bank overdrafts carried at amortised cost	26,111	31,606
- Lease liabilities (Note 37)	2,290	–
- Modification loss on amounts due from associates (Note 19)	–	18,905
	28,401	50,511
Less: interest expense capitalised in:		
- Property development costs (Note 24)	(1,639)	(1,420)
	26,762	49,091

10. Impairment losses/(gains) on financial assets

The following items have been included in arriving at impairment losses/(gains):

	Group	
	2019	2018
	$'000	$'000
Impairment losses/(gains) on financial assets:		
- Long-term receivables (Note 22)	3,618	–
- Amount due from associates (Note 30)	82	(85)
- Trade receivables (Note 27)	165	(2,290)
- Other receivables	–	242
- Amount due from related parties (Note 31)	79	6
	3,944	(2,127)

Included in the Long-term receivables and Trade receivables are impairment losses from amount due from Banyan Tree Assets (China) Holdings Pte Ltd. ("BTAC") of $3,593,000 (2018: $Nil).

11. Income tax expense

Major components of income tax expense

Major components of income taxes for the financial years ended 31 December 2019 and 2018 are:

	Group	
	2019	**2018**
	$'000	$'000
Consolidated income statement:		
Current income tax		
Current income taxation	4,243	5,271
(Over)/Under provision in respect of prior years	(691)	785
	3,552	6,056
Deferred income tax		
Origination and reversal in temporary differences	4,987	741
Benefits from previously unrecognised tax losses	(774)	–
Expiry or write-off of previously recognised deferred tax assets	808	476
	5,021	1,217
Withholding tax expense		
Current year provision	2,855	2,881
(Over)/Under provision in respect of prior years	(1)	422
	2,854	3,303
Income tax expense recognised in profit or loss	11,427	10,576
Statement of comprehensive income:		
Deferred tax credit related to other comprehensive income:		
- Adjustment on property revaluation reserve	9,045	–
- Actuarial loss on Legal Severance Pay	–	(95)

11. Income tax expense (cont'd)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2019 and 2018 respectively are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Accounting profit before taxation	13,956	24,969
Income tax using Singapore tax rate of 17% (2018: 17%)	2,373	4,245
Effect of different tax rates in other countries	760	(117)
Expenses not deductible for tax purposes	4,086	8,921
Tax exempt income	(28)	(7,871)
(Over)/Under provision in respect of prior years	(691)	785
Deferred tax assets not recognised	1,346	2,624
Withholding tax	2,854	3,303
Expiry or write-off of previously recognised deferred tax assets	808	476
Share of results of associates	(81)	(1,939)
Share of results of joint ventures	–	149
Income tax expense recognised in profit or loss	11,427	10,576

Group royalty fees income derived from Indonesia, Thailand and Maldives is subject to withholding tax at 15%, 8% and 10% respectively (2018: 15%, 8% and 10%). The Group also incurred withholding tax on rental income and dividend income received from Indonesia and Thailand at 20% and 10% respectively (2018: 20% and 10%).

12. Earnings per share

Basic earnings per share are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit after taxation for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Potential ordinary shares are weighted for the period they are outstanding. Potential ordinary shares that are cancelled or allowed to lapse during the period are included in the calculation of diluted earnings per share only for the portion of the period during which they are outstanding. Potential ordinary shares that are converted into ordinary shares during the period are included in the calculation of diluted earnings per share from the beginning of the period to the date of conversion; from the date of conversion, the resulting ordinary shares are included in both basic and diluted earnings per share.

The following table reflects the profit after taxation and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	Group	
	2019	**2018**
	$'000	$'000
Profit after taxation attributable to owners of the Company used in computation of basic and diluted earnings per share	651	13,471

	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic earnings per share computation	839,688,312	840,528,002
Effect of dilution:		
- Contingently issuable shares under Banyan Tree Share Award Scheme 2016	1,228,302	1,252,564
- Call option issued to Accor to purchase additional shares	–	25,666,473*
- Call option issued to Vanke SPV to purchase additional shares	–	16,413,280 *
Weighted average number of ordinary shares for diluted earnings per share computation	840,916,614	883,860,319

* Call option issued to Accor and to Vanke SPV have lapsed on 19 June 2018 and 19 April 2018 respectively. The potential ordinary shares that would have resulted from the exercise of the options were included in the calculation of diluted earnings per share only for the portion of the period during which they are outstanding in 2018.

13. Property, plant and equipment

Group	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construction-in-progress $'000	Total $'000
Cost or valuation:								
At 1 January 2018	349,529	292,489	40,507	175,330	15,876	11,181	583	885,495
Additions	–	1,543	1,251	6,287	1,416	799	16,247	27,543
Disposals	–	–	(555)	(3,903)	(1,781)	(100)	(33)	(6,372)
Disposal of subsidiaries	(13,395)	(58,271)	–	(6,880)	(283)	(295)	–	(79,124)
Write-off	–	–	–	(1,015)	(540)	(3)	–	(1,558)
Transfer from property development costs	–	2,547	–	562	–	–	–	3,109
Transfer in/(out)	–	4,838	(33)	2,232	595	87	(7,719)	–
Net exchange differences	6,210	6,492	(405)	4,401	195	247	(176)	16,964
At 31 December 2018 and 1 January 2019	342,344	249,638	40,765	177,014	15,478	11,916	8,902	846,057
Additions	427	3,210	943	5,803	1,300	683	35,497	47,863
Disposals	–	(22)	(2,350)	(1,543)	(661)	(233)	(511)	(5,320)
Write-off	–	–	–	(1,427)	(762)	(69)	(778)	(3,036)
Revaluation surplus	45,085	1,009	–	–	–	–	–	46,094
Elimination of accumulated depreciation on revaluation	–	(1,729)	–	–	–	–	–	(1,729)
Transfer (to)/from property development costs	(6,577)	10,412	–	762	–	–	–	4,597
Transfer in/(out)	–	17,946	483	14,255	620	1,999	(35,303)	–
Net exchange differences	21,208	14,178	464	14,008	679	643	613	51,793
At 31 December 2019	402,487	294,642	40,305	208,872	16,654	14,939	8,420	986,319

Transfer (to)/from property development costs relates to freehold buildings and other related assets that the Group will be using for its hospitality business.

13. Property, plant and equipment (cont'd)

Group (cont'd)	Freehold land $'000	Freehold buildings $'000	Leasehold buildings $'000	Furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Construction -in-progress $'000	Total $'000
Accumulated depreciation and impairment losses:								
At 1 January 2018	–	74,148	18,959	126,941	13,485	9,949	–	243,482
Depreciation charge for the financial year	–	7,930	922	9,362	1,385	505	–	20,104
Disposals	–	–	(294)	(3,646)	(1,769)	(99)	–	(5,808)
Disposal of subsidiaries	–	(8,889)	–	(5,327)	(274)	(56)	–	(14,546)
Write-off	–	–	–	(999)	(540)	(1)	–	(1,540)
Transfer to property development costs	–	(890)	–	–	–	–	–	(890)
Net exchange differences	–	1,679	341	3,440	144	216	–	5,820
At 31 December 2018 and 1 January 2019	–	73,978	19,928	129,771	12,431	10,514	–	246,622
Depreciation charge for the financial year	–	7,886	967	10,390	1,684	504	–	21,431
Disposals	–	(14)	(2,187)	(1,498)	(656)	(232)	–	(4,587)
Write-off	–	–	–	(1,329)	(756)	(69)	–	(2,154)
Impairment loss	2,127	3,684	–	–	–	–	–	5,811
Elimination of accumulated depreciation on revaluation	–	(1,729)	–	–	–	–	–	(1,729)
Transfer to property development costs	–	(386)	–	(536)	–	–	–	(922)
Net exchange differences	–	11,256	(103)	10,549	485	534	–	22,721
At 31 December 2019	2,127	94,675	18,605	147,347	13,188	11,251	–	287,193
Net carrying amount:								
At 31 December 2018	342,344	175,660	20,837	47,243	3,047	1,402	8,902	599,435
At 31 December 2019	400,360	199,967	21,700	61,525	3,466	3,688	8,420	699,126

13. Property, plant and equipment (cont'd)

The freehold land, freehold buildings and certain furniture, fittings and equipment of the Group are carried at valuation. The remaining items of property, plant and equipment are carried at cost.

Revaluation of freehold land and buildings

Freehold land and buildings in Singapore were revalued on 8 October 2019 and 31 December 2017 by professional independent valuers.

Freehold land and buildings in Thailand were revalued by a professional independent valuer on 29 November 2019.

The hotel properties in Morocco, which comprise of freehold land and buildings, were appraised by a professional independent valuer on 31 December 2019.

The hotel properties in Sri Lanka, which comprise of freehold land and buildings, were appraised by a professional independent valuer on 1 September 2019.

Revaluation and details of valuation techniques and inputs used are disclosed in Note 47.

If the freehold land, freehold buildings and furniture, fittings and equipment in the freehold properties were measured using the cost model, the carrying amounts would be as follows:

	Group	
	2019	**2018**
	$'000	$'000
Freehold land		
- Cost and net carrying amount	91,513	88,655
Freehold buildings		
- Cost	291,594	243,088
- Accumulated depreciation	(101,542)	(84,763)
- Net carrying amount	190,052	158,325
Furniture, fittings and equipment		
- Cost	199,977	170,799
- Accumulated depreciation	(145,723)	(130,420)
- Net carrying amount	54,254	40,379

13. Property, plant and equipment (cont'd)

As at 31 December 2019, certain properties with net carrying amount amounting to $477,603,000 (2018: $379,585,000) were mortgaged to banks to secure credit facilities for the Group (Note 34).

	Furniture, fittings and equipment $'000	Computers $'000	Total $'000
Company			
Cost:			
At 1 January 2018, 31 December 2018 and 1 January 2019	17	197	214
Disposals	–	(14)	(14)
At 31 December 2019	17	183	200
Accumulated depreciation:			
At 1 January 2018, 31 December 2018 and 1 January 2019	17	197	214
Disposals	–	(14)	(14)
At 31 December 2019	17	183	200
Net carrying amount:			
At 31 December 2018	–	–	–
At 31 December 2019	–	–	–

14. Investment properties

	Group	
	2019	2018
	$'000	$'000
Balance sheet:		
At 1 January	51,801	70,644
Additions (subsequent expenditure)	3,680	728
Disposal of subsidiaries (Note 17)	–	(23,307)
Write-off of investment property (Note 7)	(415)	–
Transfer from property development costs	765	–
Net gain from fair value adjustments recognised in profit or loss (Note 4)	3,736	2,118
Net exchange differences	3,937	1,618
At 31 December	63,504	51,801
Income statement:		
Rental income from investment properties		
- Minimum lease payments	3,365	3,555
Direct operating expense (including repairs and maintenance) arising from:		
- Rental generating properties	1,972	2,120
- Non-rental generating properties	51	47

Valuation of investment properties

Investment properties in Thailand are stated at fair value, which has been determined based on valuation report dated 31 December 2019. The revaluations were performed by a professional independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued.

Freehold land and buildings were revalued using the market value approach.

Details of valuation techniques and inputs used are disclosed in Note 47.

Properties pledged as security

Certain investment properties amounting to $35,787,000 (2018: $28,847,000) are mortgaged to secure bank loans (Note 34).

The investment properties held by the Group as at 31 December 2019 are as follows:

Description and Location	Existing Use	Tenure
Shopping centre with more than 50 leased outlets, Phuket, Thailand	Shops	Freehold
53 office units in a 24-storey office tower, Bangkok, Thailand	Offices	Freehold
Land located at the shopping centre, Phuket, Thailand	Land for shopping centre	Freehold
Land located in northern Thailand	Land awaiting development	Freehold

15. Intangible assets

	Goodwill $'000	Trademarks $'000	Club membership $'000	Other intangible assets $'000	Total $'000
Group					
Cost:					
At 1 January 2018	2,603	24,300	3,095	10,506	40,504
Additions	–	–	–	1,600	1,600
Net exchange differences	–	–	–	180	180
At 31 December 2018 and 1 January 2019	2,603	24,300	3,095	12,286	42,284
Additions	–	–	657	1,454	2,111
Net exchange differences	–	–	–	588	588
At 31 December 2019	2,603	24,300	3,752	14,328	44,983
Accumulated amortisation and impairment losses:					
At 1 January 2018	–	–	205	7,091	7,296
Amortisation	–	–	62	1,133	1,195
Impairment loss	–	–	–	284	284
Net exchange differences	–	–	–	158	158
At 31 December 2018 and 1 January 2019	–	–	267	8,666	8,933
Amortisation	–	–	71	374	445
Net exchange differences	–	–	–	366	366
At 31 December 2019	–	–	338	9,406	9,744
Net carrying amount:					
At 31 December 2018	2,603	24,300	2,828	3,620	33,351
At 31 December 2019	2,603	24,300	3,414	4,922	35,239

Other intangible assets

Other intangible assets include sales commission incurred that are directly attributable to securing property sales contracts. The sales commission will be amortised as the Group recognises the related revenue.

15. Intangible assets (cont'd)

	Club membership $'000
Company	
Cost:	
At 1 January 2018	3,095
Additions	–
At 31 December 2018 and 1 January 2019	3,095
Additions	657
At 31 December 2019	3,752
Accumulated amortisation and impairment losses:	
At 1 January 2018	205
Amortisation	62
At 31 December 2018 and 1 January 2019	267
Amortisation	71
At 31 December 2019	338
Net carrying amount:	
At 31 December 2018	2,828
At 31 December 2019	3,414

Impairment testing of goodwill

Goodwill acquired through business combination was related to Thai Wah Plaza Limited, which has been identified as the single cash-generating unit ("CGU") for impairment testing.

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below.

Key assumptions used for value in use calculations:

	Thai Wah Plaza Limited	
	2019	2018
Growth rate	1.5%	3.7%
Discount rate	7.9%	8.9%

15. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

The above assumptions have been used for analysis of the CGU. Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is derived from its weighted average cost of capital ("WACC") which takes into account both debt and equity. The cost of equity is derived from the expected return on investment and the cost of debt is based on servicing obligations over the interest-bearing borrowings. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are derived annually based on publicly available market data.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Impairment testing of trademarks

The trademarks comprise of "Banyan Tree" and "Angsana" brands. Trademarks have been allocated to individual CGUs, which are the Group's reportable operating segments, for impairment testing as follows:

- Property Sales Segment;
- Fee-based Segment

Carrying amounts of trademarks are allocated to each of the Group's CGUs based on a valuation performed by a professional and independent valuer at acquisition date, using the projected discounted cash flows on future royalties from each of the reportable operating segments. The allocated amounts to each CGU are as follows:

	Property Sales Segment		Fee-based Segment		Total	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount of trademarks	630	630	23,670	23,670	24,300	24,300

The recoverable amount for all the individual reportable operating segment is determined based on value in use calculation using cash flow projections based financial budgets approved by management covering a five-year period.

The discount rate applied to the cash flow projections of each reportable operating segment is 7.15% (2018: 9.74%). The growth rate used to extrapolate the cash flows of each business segment beyond the five-year period is 2% (2018: 2%). Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate, which reflects the WACC rate used, is consistent with forecasts used in industry reports. The discount rate reflects specific risks relating to the relevant companies.

15. Intangible assets (cont'd)

Impairment testing of trademarks (cont'd)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of trademarks:

- Budgeted hotel occupancy rates - the basis used to determine the budgeted hotel occupancy rates is the average hotel occupancy rates achieved in the previous years, adjusted for the forecast growth rate.

- Budgeted hotel room rates - the basis used to determine the budgeted hotel room rates is the average room rates achieved in the previous years, adjusted for the forecast growth rate.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

Impairment loss recognised

During the financial year ended 31 December 2019, an impairment loss of $Nil (2018: $284,000) was recognised to write-down the carrying amount of other intangible assets due to uncertainties in recovering from counter parties.

16. Land use rights

	Group	
	2019	2018
	$'000	$'000
Cost:		
At 1 January	2,478	2,721
Additions	120	–
Net exchange differences	232	(243)
At 31 December	2,830	2,478
Accumulated amortisation:		
At 1 January	277	276
Amortisation for the financial year	2	2
Net exchange differences	(8)	(1)
At 31 December	271	277
Net carrying amount	2,559	2,201

	Group	
	2019	2018
	$'000	$'000
Amount to be amortised:		
- Within 1 year	31	2
- Between 2 to 5 years	122	88
- After 5 years	2,406	2,111

The Group has land use rights over the following plots of land:

Location	Tenure	
	2019	2018
People's Republic of China		
Zhongdian Jiantang Hotel	29 years	30 years
Indonesia		
PT. Heritage Resorts & Spas	27 years	28 years
PT. Cassia Resorts Investments	23 years	24 years

17. Subsidiaries

	Company	
	2019	**2018**
	$'000	$'000
Unquoted shares, at cost	267,189	267,157
Quoted shares, at cost	–	71,619
	267,189	338,776
Capital contribution through issue of ordinary shares to employees of subsidiaries at no consideration under FRS 102 Share-based Payment	5,863	5,863
Impairment losses	(49,061)	(7,356)
	223,991	337,283
Loans and receivables		
Loans to subsidiaries	412,439	228,538
Less: Expected credit losses/Allowance for doubtful debts	(6,363)	(6,348)
	406,076	222,190
	630,067	559,473
Market value of quoted shares	–	190,998

In appointing the auditing firms for the Company and subsidiaries, the Group have complied with Listing Rules 712, 715 and 716.

During the financial year ended 31 December 2019, an impairment loss of $41,705,000 (2018: $Nil) was recognised to write-down the carrying amount due to decrease in net asset value of certain subsidiaries.

Included in the loans made to subsidiaries is an unsecured loan of $101,602,000 (2018: $100,605,000) bearing interest at a rate of 5.4% to 7.0% (2018: 5.4% to 7.0%) with no fixed terms of repayment. Except for this loan, the loans made to subsidiaries are interest-free, unsecured and the settlement of the amounts were neither planned nor likely to occur in the foreseeable future. As agreed with its subsidiaries, the Company will not demand repayment of the loan and its subsidiaries will have the discretion to determine when the loans will be repaid.

The current terms of the loan are as follows: loans to subsidiaries are unsecured, interest-free and repayable on demand.

17. Subsidiaries (cont'd)

Receivables that are impaired

The Company's loans to subsidiaries that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Company	
	2019	**2018**
	$'000	$'000
Loans to subsidiaries - nominal amounts	68,363	34,950
Less: Expected credit losses	(6,363)	(6,348)
	62,000	28,602

Expected credit losses

The movement in allowance for expected credit losses of amount due from subsidiaries is as follows:

	Company	
	2019	**2018**
	$'000	$'000
Movement in allowance accounts:		
At 1 January	6,348	6,361
Charge for the financial year	15	720
Write-off for the financial year	–	(733)
At 31 December	6,363	6,348

Disposal of subsidiary in 2019

On 13 August 2019, 29 August 2019 and 11 October 2019, the Group entered into sale agreements to dispose 100% interest in its subsidiary, Laguna Resorts & Hotels Public Company Limited to its subsidiaries at its market value, due to internal restructuring.

Acquisition of ownership interest in subsidiary, without loss of control in 2018

On 9 April 2018, the Group acquired an additional 20.53% equity interest in Laguna Resorts & Hotels Public Company Limited ("LRH") from its non-controlling interests for a cash consideration of $57,488,000. The carrying value of the net assets of LRH at 9 April 2018 was $513,833,000 and the carrying value of the additional interest acquired was $105,490,000. The difference of $48,002,000 between the consideration and the carrying value of the additional interest acquired has been recognised as "Premium paid on acquisition of non-controlling interests" within the statement of changes in equity.

17. Subsidiaries (cont'd)

Acquisition of ownership interest in subsidiary, without loss of control in 2018 (cont'd)

The following summarises the effect of the change in the Group's ownership interest in LRH on the equity attributable to owners of the Company:

	Group 2018 $'000
Consideration paid for acquisition of non-controlling interests	57,488
Decrease in equity attributable to non-controlling interests	(105,490)
Increase in equity attributable to owners of the Company	48,002

Decrease in non-controlling interests without a change in control in 2018

As disclosed in 2017, Banyan Tree China Pte. Ltd. ("BTCN"), a subsidiary of the Group holds interests in a joint venture. BTCN had issued certain amount of new shares to a fellow subsidiary ("Transaction A"). It was deemed that the Group disposed 3.7% equity interest in BTCN to non-controlling interests of the fellow subsidiary and Transaction A had been accounted for as an equity transaction with non-controlling interests. In 2018, the Group has acquired an additional equity interest from the non-controlling interests of the fellow subsidiary ("Transaction B"), resulting in the increase in equity interest in BTCN. Transaction B had been accounted for as an equity transaction with non-controlling interests, resulting in:

	Group 2018 $'000
Decrease in equity attributable to non-controlling interests	(2,746)
Increase in equity attributable to owners of the Company	2,746

Disposal of subsidiaries in 2018

On 23 July 2018, the Group entered into a sale agreement to dispose 100% of its interest in its wholly-owned subsidiaries, Hill View Resorts (Seychelles) Limited, Jayanne (Seychelles) Limited and Lindere Villas (Seychelles) Limited, (collectively, the "Seychelles Group") at its carrying value. The disposal was completed on 5 November 2018, on which date control of Seychelles Group was passed to the acquirer.

17. Subsidiaries (cont'd)

Disposal of subsidiaries in 2018 (cont'd)

The value of assets and liabilities of Seychelles Group recorded in the consolidated financial statements as at 5 November 2018, and the effects of the disposal were:

	Group 2018 $'000
Property, plant and equipment	64,578
Investment properties (Note 14)	23,307
Inventories	1,066
Prepayments and other non-financial assets	628
Trade receivables	1,593
Other receivables	2,031
Amounts due from subsidiaries	1,396
Cash and short-term deposits	6,125
	100,724
Other non-financial liabilities	(995)
Trade payables	(1,622)
Other payables	(5,536)
Amounts due to subsidiaries	(51,126)
Deferred tax liabilities	(2,404)
	(61,683)
Carrying value of net assets	39,041
Cash consideration	93,187
Cash and cash equivalents of the subsidiaries	(6,125)
Net cash inflow on disposal of subsidiaries	87,062

Gain on disposal:	Group 2018 $'000
Cash consideration	93,187
Settlement of debts	(49,724)
Deferred cash receivable	7,091
Net assets derecognised	(39,041)
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity on loss of control of subsidiaries	4,848
Additional expenses for disposal of subsidiaries	(3,902)
Gain on disposal (Note 4)	12,459

17. Subsidiaries (cont'd)

Details of the subsidiaries at the end of the financial year are as follows:

	Name of subsidiary	Principal activities	Place of incorporation	Cost of investment		Effective equity held by the Group	
				2019 $'000	2018 $'000	2019 %	2018 %
(i)	***Held by the Company***						
(1)	Banyan Tree Hotels & Resorts Pte Ltd.	Provision of resort, spa, project and golf management services	Singapore	5,466	5,466	100	100
(1)	Banyan Tree Investments Pte. Ltd.	Property holding	Singapore	15,673	15,673	100	100
(8)	Banyan Tree Capital Pte. Ltd.	Business management and consultancy services	Singapore	500	500	100	100
(8)	Prestige Global Services Pte. Ltd.	Own and manage intellectual property for and on behalf of Banyan Tree Group	Singapore	**	**	100	100
(1)	Banyan Tree Indochina Holdings Pte. Ltd.	Investment holding	Singapore	**	**	100	100
(8)	Banyan Tree Indochina Management (Singapore) Pte. Ltd.	Investment holding	Singapore	**	**	100	100
(1)	Banyan Tree Services Pte. Ltd.	Investment holding	Singapore	**	**	100	100
(8)	Brand Management Pte. Ltd.	Provision of Consultancy services	Singapore	**	**	100	100
(1) (23)	Banyan Tree China Pte. Ltd.	Investment holding	Singapore	152,678	152,678	98.53	98.53
(8)	ACAP International Investments Pte. Ltd.	Investment holding	Singapore	**	**	100	100

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Cost of investment 2019 $'000	Cost of investment 2018 $'000	Effective equity held by the group 2019 %	Effective equity held by the group 2018 %
(i)	***Held by the Company (cont'd)***						
(1) (18)	Hill View Resorts Holdings Pte. Ltd.	Investment holding	Singapore	25,692	–	100	–
(2) ***	Laguna Resorts & Hotels Public Company Limited	Hotel and Property development business	Thailand	–	71,619	–*	86.28
(16) (17)	Banyan Tree Assets (Thailand) Company Limited	Holding company	Thailand	91	–	100	–
(9) (12)	Tibet Lhasa Banyan Tree Resorts Limited	Construction and management of hotels and spas	China	5,097	5,097	100	100
(2)	Banyan Tree Properties (HK) Limited	Investment holding	Hong Kong	**	**	100	100
(2)	Maldives Bay Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	49,934	49,934	100	100
(2)	Maldives Cape Pvt Ltd	Development and management of resorts, hotels and spas	Maldives	**	**	100	100
(18)	Hill View Resorts Holdings Limited	Investment holding	British Virgin Islands	–	25,751	–	100
(2)	Banyan Tree Resorts & Spas (Morocco) S.A.	Provision of management, operation services and ancillary services related to the hospitality industry	Morocco	9,883	9,883	100	100
(3)	Beruwela Walk Inn Limited	Operation of Hotel resorts	Sri Lanka	856	856	100	100
(2)	PT. Heritage Resorts & Spas	Tourism management consultancy services	Indonesia	1,319	1,319	100	100
				267,189	338,776		

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the group 2019 %	2018 %
(ii)	***Held through subsidiaries***				
(1)	Hotelspa Pte. Ltd.	Investment holding	Singapore	100	100
(1)	Banyan Tree Gallery (Singapore) Pte Ltd	Sale of merchandise	Singapore	93.00	93.00
(8)	Banyan Tree Dunhuang (S) Pte. Ltd.	Investment holding	Singapore	100	100
(8) (21)	Global Investments Pte. Ltd.	Investment holding	Singapore	–	100
(8) (22)	Banyan Tree Indochina Pte. Ltd.	Business Management and consultancy services	Singapore	–	100
(1)	Architrave Design & Planning Services Pte. Ltd.	Provision of design, planning and consultancy services for hotels, resorts and spas	Singapore	100	100
(1)	GPS Development Services Pte. Ltd.	Provision of purchasing and project services for hotels, resorts and spas	Singapore	100	100
(1)	Banyan Tree Marketing Group Pte. Ltd.	Provision of marketing services	Singapore	100	100
(1)	BT Development Singapore Pte. Ltd.	Investment holding	Singapore	100	100
(8)	Banyan Tree Management (S) Pte. Ltd.	Hotel management	Singapore	100	100
(1)	Banyan Tree Spas Pte. Ltd.	Operation of spas	Singapore	100	100
(1)	Banyan Tree Businesses Pte. Ltd.	Investment holding	Singapore	100	100
(1) (18)	Lindere Villas Pte. Ltd.	Investment holding	Singapore	100	–
(2)	Banyan Tree Mkg (HK) Limited	Provision of marketing services	Hong Kong	100	100
(2) ***	Laguna Resorts & Hotels Public Company Limited	Hotel and Property development business	Thailand	86.28*	–
(2)	Banyan Tree Resorts & Spas (Thailand) Company Limited	Provision of spa services	Thailand	100	100

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the group 2019 %	2018 %
(ii)	***Held through subsidiaries (cont'd)***				
(2)	Banyan Tree Hotels & Resorts (Thailand) Limited	Provision of hotel management services	Thailand	100	100
(2)	TWR - Holdings Limited	Investment holding and property development	Thailand	86.28	86.28
(2)	Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	86.28	86.28
(16)	Laguna (3) Limited	Owns land on which a hotel is situated	Thailand	86.28	86.28
(2)	Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	93.00	93.00
(16)	Pai Samart Development Company Limited	Holds land plots for future development	Thailand	86.28	86.28
(16)	Mae Chan Property Company Limited	Holds land plots for future development	Thailand	86.28	86.28
(2)	Phuket Grande Resort Limited (formerly known as Phuket Resort Development Limited)	Property development and hotel operations	Thailand	86.28	86.28
(2)	Laguna Grande Limited	Operation of golf club and property development	Thailand	86.28	86.28
(2)	Laguna Banyan Tree Limited	Hotel operations, property development, sales and marketing service for holiday club memberhsip	Thailand	86.28	86.28
(16) (10)	Talang Development Company Limited	Property development	Thailand	43.14	43.14
(2)	Twin Waters Limited (formerly known as Twin Waters Development Company Limited)	Property development	Thailand	86.28	86.28
(16)	Bangtao (1) Limited	Owns land on which the golf course is situated	Thailand	86.28	86.28
(16)	Bangtao (2) Limited	Owns land on which the golf course is situated	Thailand	86.28	86.28
(16)	Bangtao (3) Limited	Property development	Thailand	86.28	86.28
(16)	Bangtao (4) Limited	Owns land on which the golf course is situated	Thailand	86.28	86.28

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the group 2019 %	2018 %
(ii)	***Held through subsidiaries (cont'd)***				
(2)	Bangtao Laguna Limited (formerly known as Bangtao Development Limited)	Owns land on which a hotel is situated and Property development	Thailand	86.28	86.28
(2)	Bangtao Grande Limited	Hotel operations and property development	Thailand	86.28	86.28
(2) (10)	Laguna Service Company Limited	Provision of utilities and other services to hotels owned by the subsidiaries	Thailand	62.90	62.90
(2)	Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	86.28	86.28
(2)	Thai Wah Tower Company Limited	Lease of office building space	Thailand	86.28	86.28
(2)	Thai Wah Tower (2) Company Limited	Owns land on which a hotel is situated	Thailand	86.28	86.28
(2) (10)	Laguna Excursions Limited	Travel operations	Thailand	42.28	42.28
(2)	Laguna Lakes Limited	Property development	Thailand	81.97	81.97
(2)	Laguna Village Limited	Dormant company	Thailand	86.28	86.28
(5)	Zhongdian Jiantang Hotel Limited	Hotel services	China	80	80
(9) (14)	Dunhuang Banyan Tree Hotel Company Limited	Develop, own and operate hotels and resorts in China	China	100	100
(9)	Tianjin Banyan Tree Capital Investment Management Co., Ltd.	Investment management and related consulting services	China	100	100
(9) (17) ** ****	Rong Yuan (Shanghai) Business Management Co., Ltd.	Provision of marketing and management consulting services	China	100	–
(5)	BT Development No. 1 Pty Ltd	Development of residential property	Australia	100	100
(2)	Banyan Tree Resorts Limited	Provision of resort management services	Hong Kong	100	100
(2)	Banyan Tree Spa (HK) Limited	Provision of spa management services	Hong Kong	100	100
(4)	Cheer Golden Limited	Investment holding	Hong Kong	86.28	86.28

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the group 2019 %	2018 %
(ii)	***Held through subsidiaries (cont'd)***				
(2)	Triumph International Holdings Limited	Investment holding	Hong Kong	80	80
(2)	Northpoint Investments Limited	Investment holding	Hong Kong	100	100
(2)	Banyan Tree Investment Holdings (HK) Limited	Investment holding	Hong Kong	100	100
(2)	Vabbinvest Maldives Pvt Ltd	Operation of holiday resorts	Maldives	100	100
(11)	Banyan Tree Hotels & Resorts Korea Limited	Provision of hotel management services	Korea	100	100
(8)	Banyan Tree Indochina (GP) Company Limited	Manage and operate the Banyan Tree Indochina Hospitality Fund, L.P.	Cayman Islands	100	100
(11)	Jayanne International Limited	Investment holding	British Virgin Islands	100	100
(11)	Club Management Limited	Provision of resort and hotel management and operation services and ancillary services related to the hospitality industry	British Virgin Islands	100	100
(18)	Lindere Villas Limited	Investment holding	British Virgin Islands	–	100
(15)	PT. AVC Indonesia	Holiday club membership and golf club operations	Indonesia	86.28	86.28
(2)	PT. Management Banyan Tree Resorts & Spas	Provision of consultation and management services of the international hotels marketing	Indonesia	100	100
(2)	PT. Banyan Tree Management	Provision of hotel management services	Indonesia	100	100
(2)	PT Cassia Resorts Investments	Hotel operations and property development	Indonesia	100	100
(5)	PT Leisure Development Bintan	Hotel operations and property development	Indonesia	100	100

17. Subsidiaries (cont'd)

	Name of subsidiary	Principal activities	Place of incorporation	Effective equity held by the group 2019 %	2018 %
(ii)	***Held through subsidiaries (cont'd)***				
(2)	Banyan Tree MX S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	100	100
(5)	Banyan Tree Servicios S.A. De C.V.	Provision of business management services, resort and hotel management, operation services and ancillary services related to the hospitality industry	Mexico	100	100
(11) (20)	Banyan Tree Guam Limited	Business office operation service and operation of spa facilities	Guam	–	100
(2)	Banyan Tree Spas Sdn. Bhd.	Operation of spas	Malaysia	100	100
(11)	Banyan Tree Japan Yugen Kaisha	Operation of spas	Japan	100	100
(2)	Banyan Tree (Private) Limited	Operation of spas	Sri Lanka	100	100
(6)	Heritage Spas South Africa (Pty) Ltd	Operation and investment in resorts, spas and retail outlets	South Africa	100	100
(2) (19)	Heritage Spas Dubai LLC	Operation of spas	Dubai	–	100
(2)	Maldives Angsana Pvt Ltd	Operation of holiday resorts	Maldives	100	100
(5)	Keelbay Pty Ltd	Development of residential property	Australia	100	100
(7)	Banyan Tree Mkg (UK) Ltd	Provision of marketing services	United Kingdom	100	100
(2)	BT Investments Holdings Phils. Inc.	Investment holding	Philippines	97.85	97.85
(2)	Banyan Tree Hotels (Cyprus) Ltd	Provision of management consultancy and hotel design services	Cyprus	100	100
(13)	Green Transportation SARL AU	Provision of tourist transportation activities	Morocco	100	100

17. Subsidiaries (cont'd)

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) Audited by Tudor V.P. & Co.

(4) Audited by RSM Nelson Wheeler.

(5) Not required to be audited as the company is exempted from audit.

(6) Audited by Mazars.

(7) Audited by MHA MacIntyre Hudson.

(8) Audited by A Garanzia LLP.

(9) Audited by Ruihua Certified Public Accountant.

(10) These companies are subsidiaries of LRH which in turn are subsidiaries of the Group. Management of the Group is of the view that these companies should be consolidated as subsidiaries in the consolidated financial statements as the Group has control over them through LRH.

(11) Not required to be audited under the laws of country of incorporation.

(12) Audited by Tibet Zhongrong Certified Public Accountant in 2018.

(13) Not required to be audited as the company has not commenced operation as at 31 December 2019.

(14) Audited by Dunhuang Fang Zheng Certified Public Accountant in 2018.

(15) Audited by RSM AAJ Associates.

(16) Audited by SD Audit and Consultancy Limited.

(17) Incorporated/Acquired during the year.

(18) Re-domiciled from British Virgin Islands to Singapore with effect from 1 October 2019.

(19) Liquidation with effect from 10 February 2019.

(20) Dissolved with effect from 30 June 2019.

(21) Struck off with effect from 7 March 2019.

(22) Struck off with effect from 12 December 2019.

(23) Effective interest held by the company is 89.31%. Including all the effective interest held by the subsidiaries, the Group effective interest is 98.53%.

17. Subsidiaries (cont'd)

* Investment transferred from being held by the holding company to be held by various subsidiaries during the year.

** Cost of investment is less than $1,000.

*** As at 31 December 2019, 0.01% (2018: 13.16%) of the issued and paid up capital of Laguna Resorts & Hotels Public Company Limited ("LRH") is held by Thai Trust Fund Management Company Limited ("TTFMC") and Thai NVDR Company Limited (a subsidiary wholly-owned by the Stock Exchange of Thailand issuing "Non-Voting Depository Receipt" ("TNVDR"). Pursuant to the provisions of their prospectus, TTFMC and TNVDR will not attend nor vote in any shareholders' meeting of LRH other than delisting.

Of the effective equity held by the Group of 86.28% (2018: 86.28%) in LRH, Nil % (2018: 10.90%) is held in trust by TTFMC. Taking into account of the issued and paid up capital of LRH held by TTFMC and TNVDR, the voting rights held by the Group in the subsidiary amount to 86.29% (2018: 86.81%) and the voting rights held by the non-controlling interest in the subsidiary amount to 13.71% (2018: 13.19%).

Of the effective equity held by the non-controlling interest of 13.72% (2018: 13.72%) in LRH, Nil % (2018: 1.60%) and 0.01% (2018: 0.66%) is held by TTFMC and TNVDR respectively. Taking into account of the issued and paid up capital of LRH held by TTFMC and TNVDR, the voting rights held by the non-controlling interest in the subsidiary amount to 13.71% (2018: 13.19%).

Due to the internal restructuring, LRH's shares have been disposed by the Company to be held directly through the Group's subsidiaries instead of through TTFMC and TNVDR. This has resulted in the drop in the percentage of shareholdings by TTFMC and TNVDR.

**** Incorporated during the year as a wholly owned subsidiary of the Group with registered capital of USD100,000. As of 31 December 2019, the Group has not paid for the registered capital.

17. Subsidiaries (cont'd)

Interest in subsidiary with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid to NCI $'000
31 December 2019:					
Laguna Resorts & Hotels Public Company Limited	Thailand	13.72%	1,894	73,536	12,498
31 December 2018					
Laguna Resorts & Hotels Public Company Limited	Thailand	13.72%	943	73,977	363

Summarised financial information about subsidiary with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiary with material non-controlling interests are as follows:

Summarised balance sheet

	Laguna Resorts & Hotels Public Company Limited	
	2019 $'000	**2018** $'000
Current		
Assets	266,457	228,839
Liabilities	(200,218)	(138,210)
Net current assets	66,239	90,629
Non-current		
Assets	812,823	666,572
Liabilities	(326,446)	(219,197)
Net non-current assets	486,377	447,375
Net assets	552,616	538,004

17. Subsidiaries (cont'd)

Summarised financial information about subsidiary with material NCI (cont'd)

Summarised statement of comprehensive income

	Laguna Resorts & Hotels Public Company Limited	
	2019	**2018**
	$'000	$'000
Revenue	269,267	227,920
Profit before taxation	23,769	7,606
Income tax expense	(8,512)	(5,339)
Profit after taxation	15,257	2,267
Other comprehensive income	(370)	(3)
Total comprehensive income	14,887	2,264
Other summarised information		
Net cash flows generated from/(used in) operations	2,405	(17,037)
Acquisition of significant property, plant and equipment	(41,445)	(24,446)

18. Joint ventures

On 20 November 2018, the Group entered into a sale agreement to dispose 18.6% of its shareholding in BTAC to Vanke. Following the disposal, the Group no longer has a significant influence in BTAC. As a result, the Group's retained 4.2% interest in BTAC and the redeemable convertible preference shares ("RCPS") has been reclassified from cost of investment in associates to long-term investments.

Summarised below are the effects of the disposal:

	Group 2018 $'000
Cash consideration	78,607
Net cash inflow on disposal of joint venture	78,607
Gain on disposal:	
Cash consideration	78,607
Cash contribution for acquisition of China Fund	(18,800)
Proportional capitalisation of investment in China Fund	61,849
Carrying value of the investment derecognised	(92,792)
Additional expenses for disposal of joint venture	(3,709)
Gain on disposal (Note 4)	25,155

19. Associates

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Quoted and unquoted equity shares, at cost	114,193	110,349	869	869
Share of post-acquisition reserves, net of dividend received	10,255	10,997	–	–
Impairment loss	(679)	(679)	–	–
Net exchange differences	(3,535)	(1,660)	–	–
	120,234	119,007	869	869
Long-term amount due from associates – non-trade	41,002	42,072	2,619	5,268
	161,236	161,079	3,488	6,137
Fair value of investment in an associate for which there is a published price quotation	16,618	30,798	–	–

Included within quoted and unquoted equity shares, at cost is an aggregate amount of $17,831,000 (2018: $17,831,000) of RCPS which can be offset against the amounts due to associates.

The Group has pledged 10 million ordinary shares of Thai Wah Public Company Limited with a bank to secure a long-term loan of the Group as at 31 December 2019 and 31 December 2018.

As disclosed in 2018, the Group recognised amounts due from associates of $60,977,000 which were repayable on demand as at 31 December 2017. In the financial year 2018, these amounts were renegotiated to be repayable in interest free instalments from the operating cash flow of these entities over future periods. As per SFRS (I) 9, the modification of these terms has triggered the de-recognition of the existing instrument and recognition of a new instrument. This instrument has been measured at fair value upon initial recognition according to the following inputs:

Market interest rate	5.33%
Previous carrying value	$60,977,000
New instrument carrying value at fair value upon initial recognition	$42,072,000
Modification loss (recorded within finance costs in 2018) (Note 9)	$18,905,000

Accordingly, the associates have recognised a gain on the modification of terms of the previous instrument, and the Group has correspondingly recognised their share of 40% of the gain ($7,562,000 of modification gain has been recognised within the share of results of the associates in 2018).

Subsequent to the modification loss, as at 31 December 2019, the Group has performed an assessment on the cash flow repayment projection on the amounts due from associates of $41,002,000 (2018: $42,072,000), and $3,033,000 interest accretion has been recognised for the financial year ended 31 December 2019.

19. Associates (cont'd)

Significant foreign currency denominated balances

	Group	
	2019 $'000	2018 $'000
US Dollars	664	900

The details of the material associates at the end of the financial year are as follows:

Name of associate	Principal activities	Place of incorporation	Effective equity held by the Group 2019 %	2018 %
Held through subsidiaries				
(2)(3) Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	8.65	8.65
(1)(3) Banyan Tree Indochina Hospitality Fund, L.P.	Business of a real estate development fund, focused on the hospitality sector in Vietnam	Cayman Islands	17.02	17.02

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of Ernst & Young Global in the respective countries.

(3) The results of these associates were equity accounted for in the consolidated financial statements notwithstanding that the Group holds less than 20% of the voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board/governing committees of these entities. The Group's direct interest in these associates differ from the corresponding effective interest as these associates are held by subsidiaries with non-controlling interests.

19. Associates (cont'd)

The summarised financial information in respect of Thai Wah Public Company Limited and Indochina fund and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Thai Wah Public Company Limited		Banyan Tree Indochina Hospitality Fund, L.P.	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Assets and liabilities:				
Current assets	145,927	132,629	59	51
Non-current assets	208,158	164,419	303,802	298,149
Current liabilities	(44,408)	(33,351)	(1,652)	(1,867)
Non-current liabilities	(71,385)	(17,319)	–	–
Non-controlling interests	(12,355)	(23,600)	–	–
Net assets	225,937	222,778	302,209	296,333
Proportion of the Group's ownership	10.03%	10.03%	17.80%	17.80%
Group's share of net assets	22,662	22,345	53,793	52,747
Goodwill on acquisition	4,425	4,130	–	–
Difference between fair value and cost of identifiable assets and liabilities	7,076	6,861	–	–
Other adjustments	–	–	–	(5)
Carrying amount of the investment	34,163	33,336	53,793	52,742

The Group has not recognised its share of losses and deficit in the currency translation reserve relating to one of its associates, Tropical Resorts Limited where its share of deficit in equity has exceeded the Group's interest in this associate. At the end of the reporting period, the Group's cumulative share of unrecognised losses and currency translation deficit were $10,270,000 (2018: $10,467,000) and $227,000 (2018: currency translation surplus $1,342,000) respectively. The Group's share of the current year's unrecognised profit was $197,000 (2018: losses of $1,951,000).

The Group has no obligation in respect of these losses.

19. Associates (cont'd)

Aggregate information about the Group's investments in associates that are not individually material, not adjusted for the proportion of ownership interests held by the Group, are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Assets and liabilities *:		
Current assets	97,931	97,811
Non-current assets	159,032	170,437
Total assets	256,963	268,248
Current liabilities	(168,760)	(179,621)
Non-current liabilities	(117,536)	(92,800)
Total liabilities	(286,296)	(272,421)
Results:		
Revenue	51,205	52,825
Loss for the financial year	(100)	(25,319)
Other comprehensive (loss)/income	(1,570)	1,691
Total comprehensive loss	(1,670)	(23,628)

* Included in assets and liabilities and total comprehensive income of associates is Tropical Resorts Limited's net liabilities position of $90,481,000 as at 31 December 2019 (2018: $80,507,000) and total comprehensive loss of $2,803,000 (2018: $27,148,000).

20. Long-term investments

	Group	
	2019	2018
	$'000	$'000
At fair value through other comprehensive income		
Equity securities (quoted)	2	2
Equity securities (unquoted)	100,695	102,000
	100,697	102,002

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period is as follows:

	Group	
	2019	2018
	$'000	$'000
At fair value through other comprehensive income		
- Equity securities (quoted)		
Others	2	2
- Equity securities (unquoted)		
Mayakoba Thai S.A. De C.V. ("Mayakoba")	10,521	10,521
La Punta Resorts S.A. De C.V. ("La Punta")	1,720	4,254
BTAC	88,454	87,225
	100,697	102,002

Included within BTAC, at fair value is an aggregate amount of $72,149,000 of redeemable convertible preference shares ("RCPS") which can be offset against amounts due to BTAC. This investment in BTAC has been reclassified from investment in joint venture. As at 31 December 2019, an amount of $11,854,000 (2018: $11,854,000) of capital injection commitment is outstanding from the majority shareholder of BTAC.

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

As at 31 December 2019, the Group has carried out an assessment on the fair value of the investment in Mayakoba and La Punta using the discount rate and growth rate of 10.4% and 5.0% (2018: 13.3% and 5%) respectively, and a fair value loss of $2,534,000 (2018: $2,069,000) for La Punta had been recognised in fair value adjustment reserve through other comprehensive income.

20. Long-term investments (cont'd)

On 30 December 2019, a subsidiary of the Group ("BTCN") entered into an agreement with Tritonia Company Limited ("TCL") and BTAC to convert a portion of the outstanding debt owing by BTAC to BTCN into ordinary shares ("Capitalisation Agreement"). A total amount of S$4,635,000 owing by BTAC to BTCN was converted into 21 ordinary shares owned by BTCN in BTAC representing 1% ownership interest in BTAC effectively on 31 December 2019.

As a result of the Capitalisation Agreement, the Group recorded a fair value loss of S$679,000 in profit and loss as a result of the de-recognition of the financial liability on 30 December 2019. As at 31 December 2019, the Group has carried out an assessment on the fair value of investment in BTAC (5.2% ownership interest in BTAC as at 31 December 2019) and recorded a fair value loss of $2,767,000 in fair value reserve through other comprehensive income.

21. Prepaid island rental

	Group	
	2019	**2018**
	$'000	$'000
At 1 January	22,034	22,478
Net exchange differences	(327)	420
Payment of island rental during the financial year	–	1,302
	21,707	24,200
Less: Amortisation of prepaid island rental during the financial year	(691)	(2,166)
Less: Amount reclassified to lease liabilities (Note 2.2)	(1,207)	–
At 31 December	19,809	22,034
Amount chargeable within 1 year (Note 26)	789	2,005
Amount chargeable after 1 year	19,020	20,029
	19,809	22,034

The above amounts were paid to the owners of the Vabbinfaru Island and Ihuru Island as finance lease component of the lease arrangements.

At the end of the reporting period, the lease periods are as follows:

Island	**Lease period 2019**	**Lease period 2018**
Maldives		
Vabbinfaru Island	1 May 1993 - 9 Apr 2045	1 May 1993 - 9 Apr 2045
Ihuru Island *	16 Oct 2000 - 15 Oct 2044	16 Oct 2000 - 15 Oct 2044

* The prepaid island rental has been reclassified to lease liabilities under SFRS (I) 16 leases.

22. Long-term receivables

	Group	
	2019	**2018**
	$'000	$'000
Loans and receivables		
- trade (property sales) (i)	49,943	29,586
- trade (non-property sales) (ii) (iii)	18,343	26,855
Long-term receivables (current and non-current)	68,286	56,441
Long-term receivables are repayable as follows:		
Within 12 months		
- trade (property sales) (i)	14,063	8,477
- trade (non-property sales) (ii) (iii)	4,909	4,834
Less: Expected credit losses (non-property sales)	(974)	–
Long-term receivables (current) (Note 27)	17,998	13,311
Between 2 to 5 years		
- trade (property sales) (i)	35,880	21,109
- trade (non-property sales) (ii) (iii)	16,898	21,797
Less: Expected credit losses (non-property sales)	(3,186)	(548)
After 5 years		
- trade (non-property sales) (ii) (iii)	696	772
Long-term receivables (non-current)	50,288	43,130

22. Long-term receivables (cont'd)

Long-term receivables consist of:

(i) Trade receivables from property sales bear interest at rates ranging from 3% to 7%, Minimum Lending Rate ("MLR") plus 0.5% per annum (2018: 3% to 7%, MLR plus 0.5% per annum) and are repayable over an instalment period of 3 to 10 years (2018: 3 to 10 years).

(ii) The Group has purchased certain properties on behalf of a third party who is in the business of selling club memberships. A subsidiary of the Group acts as the manager of these properties on behalf of the third party. As at 31 December 2019, the trade receivables (non-property sales) due from the third party are $1,323,000 (current) (2018: $1,248,000) and $6,147,000 (non-current) (2018: $7,228,000). Included in this amount due from the third party, $6,865,000 (2018: $7,827,000) bears an interest rate of 6% per annum (2018: 6%), is unsecured and repayable over 13.5 to 15 years, commencing from 2008. The remaining amount due from the third party is interest-free, unsecured and are not expected to be repaid within the next 12 months.

(iii) Included in the Trade (non-property sales) is a net amount of $2,688,000 (current) (2018: $3,586,000) and $8,063,000 (non-current) (2018: $14,344,000) which bear interest rate of 5.33%, and the non-current portion is repayable over a period of 2 years.

Significant foreign currency denominated balances

	Group	
	2019	**2018**
	$'000	$'000
US Dollars	1,308	918

Expected credit losses

The movement in allowance for expected credit losses of long-term receivables (current and non-current) is as follows:

	Group	
	2019	**2018**
	$'000	$'000
Movement in allowance accounts:		
At 1 January	548	538
Charge for the financial year (Note 10)	3,618	–
Exchange differences	(6)	10
At 31 December	4,160	548

Receivables subject to offsetting arrangements

During the period ended 31 December 2019 and 31 December 2018, none of the Group's trade receivables and trade payables are subject to offsetting arrangements.

23. Other receivables – non-current

	Group	
	2019	2018
	$'000	$'000
Loans and receivables		
Deposits	5,599	1,375
	5,599	1,375

Included in the deposits is an amount of $1,704,000 of long-term restricted deposit pledged with a financial institution as security for bank guarantee and short-term facilities of a subsidiary.

24. Property development costs

	Group	
	2019	2018
	$'000	$'000
Properties under development		
Cost incurred to date	224,796	224,885
Less: Write-down to realisable value	(4,276)	(3,991)
	220,520	220,894
Properties held for sale	97,667	59,083
	318,187	279,977
Amounts expected to be recovered:		
No more than 12 months	78,112	54,549
More than 12 months	240,075	225,428
	318,187	279,977

During the financial year, borrowing costs of $1,639,000 (2018: $1,420,000) arising from borrowings obtained specifically for the development property were capitalised under properties under development. The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.7% to 4.9% (2018: 4.8%), which is the effective interest rate of the specific borrowing.

24. Property development costs (cont'd)

Details of the properties as at 31 December 2019 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Banyan Tree Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	1,353	Completed	86.28
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	2,371	Completed	86.28
Cassia Phuket Phase 2	Phuket, Thailand	100	Held for sale	2,110	Completed	86.28
Cassia Phuket Phase 3	Phuket, Thailand	100	Held for sale	1,188	Completed	86.28
Laguna Park 2 Townhouse and Villas	Phuket, Thailand	57	Under construction	17,023	August 2021	86.28
Laguna Village Residences	Phuket, Thailand	37	Under construction	10,736	December 2024	86.28
Banyan Tree Grand Residence Phase 1	Phuket, Thailand	26	Under construction	14,424	December 2024	86.28
Angsana Beach Front	Phuket, Thailand	27	Under construction	15,039	June 2021	86.28
Angsana Oceanview Residences	Phuket, Thailand	16	Under construction	7,367	September 2020	86.28
Dhawa apartments	Phuket, Thailand	27	Under construction	5,217	July 2020	86.28
Banyan Tree Residences, Brisbane	Brisbane, Australia	–	Under construction	27,375	–	100
Northpoint, Australia	Northpoint, Australia	–	Under construction	4,424	–	100
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	100	Held for sale	475	Completed	100
Cassia Bintan Phase 2	Bintan, Indonesia	100	Held for sale	3,997	Completed	100
Cassia Bintan Phase 3	Bintan, Indonesia	100	Held for sale	4,258	Completed	100

24. Property development costs (cont'd)

Details of the properties as at 31 December 2018 are as follows:

Description	Location of property	Estimated completion %	Existing use of property	Gross floor area (Sq meter)	Estimated completion date	Effective equity held by the Group %
Laguna Park Townhouse and Villas	Phuket, Thailand	100	Held for sale	3,005	Completed	86.28
Banyan Tree Phuket Double Pool Villas	Phuket, Thailand	100	Held for sale	1,353	Completed	86.28
Laguna Village Lofts	Phuket, Thailand	100	Held for sale	2,448	Completed	86.28
Cassia Phuket Phase 1	Phuket, Thailand	100	Held for sale	2,371	Completed	86.28
Cassia Phuket Phase 2	Phuket, Thailand	100	Held for sale	2,216	Completed	86.28
Cassia Phuket Phase 3	Phuket, Thailand	21	Under construction	14,387	October 2019	86.28
Laguna Park 2 Townhouse and Villas	Phuket, Thailand	–	Under construction	8,070	December 2019	86.28
Laguna Village Residences	Phuket, Thailand	–	Under construction	10,736	December 2019	86.28
Banyan Tree Grand Residence Phase 1	Phuket, Thailand	34	Under construction	12,954	December 2024	86.28
Angsana Beach Front	Phuket, Thailand	–	Under construction	15,039	December 2020	86.28
Angsana Oceanview Residences	Phuket, Thailand	–	Under construction	7,367	December 2020	86.28
Banyan Tree Residences, Brisbane	Brisbane, Australia	–	Under construction	27,375	March 2022	100
Northpoint, Australia	Northpoint, Australia	–	Under construction	4,424	–	100
Banyan Tree Bintan	Bintan, Indonesia	100	Held for sale	6,080	Completed	100
Cassia Bintan Phase 1	Bintan, Indonesia	100	Held for sale	745	Completed	100
Cassia Bintan Phase 2	Bintan, Indonesia	100	Held for sale	3,997	Completed	100
Cassia Bintan Phase 3	Bintan, Indonesia	100	Held for sale	4,258	Completed	100

25. Inventories

	Group	
	2019	2018
	$'000	$'000
Balance sheet:		
Food and beverage, at cost	1,545	1,560
Trading goods and supplies, at cost	2,769	2,835
Materials, at cost	1,653	1,834
	5,967	6,229
Income statement inclusive of the following charge:		
- Inventories recognised as an expense in cost of sales	23,970	25,056
- Inventories written down (Note 7)	46	92

26. Prepayments and other non-financial assets - current

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Prepayments	5,730	4,480	241	283
Prepaid island rental – current portion (Note 21)	789	2,005	–	–
Advances to suppliers	2,391	6,836	–	–
Goods and services tax/value-added tax receivable	3,004	3,585	–	–
Deposit for purchase of land	3,333	–	–	–
Others	2,608	2,724	10	8
	17,855	19,630	251	291

27. Trade receivables

	Group	
	2019	2018
	$'000	$'000
Loans and receivables		
Trade receivables	24,867	28,287
Less: Expected credit losses	(2,560)	(3,541)
	22,307	24,746
Current portion of long-term trade receivables (Note 22)	18,972	13,311
Less: Expected credit losses (Note 22)	(974)	–
	17,998	13,311
	40,305	38,057

Other than the current portion of long-term trade receivables (Note 22), trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Significant foreign currency denominated balances

	Group	
	2019	2018
	$'000	$'000
US Dollars	3,350	3,777

27. Trade receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables is as follows:

	Group	
	2019	2018
	$'000	$'000
Movement in allowance accounts:		
At 1 January	3,541	6,351
Charge for the financial year (Note 10)	165	–
Write-back of allowance for the financial year (Note 10)	–	(2,290)
Write-off for the financial year	(1,058)	(535)
Exchange differences	(88)	15
At 31 December	2,560	3,541

Receivables subject to offsetting arrangements

The Group regularly provides spa treatment services to in-house guests of Vineyard Hotel & Spa. The Group will be regularly charged by Vineyard Hotel & Spa for rental, utilities and other miscellaneous expenses incurred on behalf of the Group. Both parties have an arrangement to settle the net amount due to or from each other on a 30 days' term basis.

The Group's trade receivables and trade payables that are offset are as follows:

	2019 $'000		
Description	**Gross carrying amounts**	**Gross amounts offset in the balance sheet**	**Net amounts in the balance sheet**
Trade receivables	43	(43)	–
Trade payables	60	(43)	17

	2018 $'000		
Description	**Gross carrying amounts**	**Gross amounts offset in the balance sheet**	**Net amounts in the balance sheet**
Trade receivables	113	(113)	–
Trade payables	114	(113)	1

28. Other receivables - current

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Loans and receivables				
Deposits	324	1,141	3	75
Interest receivable	67	336	65	220
Staff advances	94	159	–	–
Insurance recoverable	18	60	–	–
Deferred cash receivable	1,302	6,985	1,302	6,985
Other recoverable expenses	3,993	489	545	12
Other receivables	10,449	9,813	–	–
	16,247	18,983	1,915	7,292

According to the sales and purchase agreement for the disposal of the Group's interest in Seychelles Group, part of the total sales consideration is deferred and recorded as deferred cash receivable.

Significant foreign currency denominated balances

	Group		Company	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
RMB	6,562	6,766	–	–

29. Amounts due from/(to) subsidiaries

	Company	
	2019 $'000	2018 $'000
Loans and receivables		
Amounts due from subsidiaries		
- non-trade	186,303	200,138
Less: Expected credit losses	(3,836)	(3,856)
	182,467	196,282
Financial liabilities at amortised cost		
Amounts due to subsidiaries (Current)		
- non-trade	(20,522)	(68,576)
Movement in allowance accounts:		
At 1 January	3,856	3,856
Write-back of allowance for the financial year	(20)	–
At 31 December	3,836	3,856