

GUOCO GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 53)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached documents on the next page.

(The attached documents appear for information purposes only and do not constitute an invitation of offer to acquire, purchase or subscribe for the securities of Guoco Group Limited or GuocoLand Limited.)

The board of directors of Guoco currently comprises Mr. Quek Leng Chan as Executive Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Tan Lim Heng and Mr. James Eng, Jr. as executive directors; Mr. Kwek Leng San as non-executive director and Mr. Sat Pal Khattar, Mr. Volker Stoeckel and Mr. Ding Wai Chuen as independent non-executive directors.

ISSUE OF S\$345 MILLION IN PRINCIPAL AMOUNT OF UNSECURED TRANCHE 1 CONVERTIBLE BONDS DUE 2012 AND S\$345 MILLION IN PRINCIPAL AMOUNT OF UNSECURED TRANCHE 2 CONVERTIBLE BONDS DUE 2012

Further to the announcement of GuocoLand Limited (the "**Company**") dated 19 April 2007 (the "**April Announcement**"), the Company is pleased to announce that the issue of S\$345 million in principal amount of unsecured Tranche 1 convertible bonds due 2012 and the S\$345 million in principal amount of unsecured Tranche 2 convertible bonds due 2012 (collectively, the "**Convertible Bonds**") was completed today. The issue date of the Convertible Bonds is 7 May 2007.

A copy of the Offering Circular dated 4 May 2007 (the "**Offering Circular**") issued by the Company in connection with the placement of the Convertible Bonds to institutional investors and/or accredited investors (pursuant to exemptions invoked under Section 274 and 275 of the Securities and Futures Act, Cap. 289, of Singapore) is attached to this announcement for information purposes only.

Pursuant to, *inter alia*, the provisions of the Subscription Agreement dated 19 April 2007, an application (the "**Listing Application**") has been submitted to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of the Convertible Bonds and the new shares in the capital of the Company to be issued upon the conversion of the Convertible Bonds (the "**Conversion Shares**"). As at the date of this announcement, the Listing Application is still pending in-principle approval of the SGX-ST. The Company will issue an announcement relating to the outcome of the Listing Application in due course.

As mentioned in the April Announcement, the Conversion Rights (as defined in the terms and conditions of the Convertible Bonds) in respect of the Convertible Bonds and the issue of the Conversion Shares are also subject to, *inter alia*, (i) the approval of the shareholders of the Company at the extraordinary general meeting of the Company to be convened (the "**EGM**") and (ii) the approval from the shareholders of Guoco Group Limited ("**GGL**"). A circular in relation to the EGM will be despatched by the Company to shareholders of the Company in due course.

J.P.Morgan (S.E.A.) Limited acted as the sole bookrunner for the issue of the Convertible Bonds.

Dated this 7th day of May 2007

By Order of the Board

Dawn Pamela Lum
Group Company Secretary

Not for distribution in or into the United States, Canada or Japan.

This announcement and the Offering Circular do not constitute an offer to sell or the solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

This announcement and the Offering Circular are not offers of securities for sale in the United States. The securities referred to herein may not be offered or sold in the United States or to U.S persons (as defined in Regulation S of the US Securities Act of 1933, as amended) (the "Securities Act") unless registered under the Securities Act or pursuant to an exemption from registration requirements under the Securities Act.

The Offering Circular is personal to each placee procured by J.P.Morgan (S.E.A.) Limited and does not constitute an offer to any other person or to the public generally.

Submitted by Dawn Pamela Lum, Group Company Secretary on 07/05/2007 to the SGX-ST.

Important Notice

IMPORTANT: You must read the following disclaimer before continuing.

The following disclaimer applies to the Offering Circular attached to this e-mail. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that the access to the attached Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.

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Restrictions: 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 GuocoLand Limited, J.P. Morgan (S.E.A.) Limited, HL Bank or Oversea-Chinese Banking Corporation Limited to subscribe or purchase any of the securities described therein. Any securities to be issued will not be registered under the Securities Act and may not be offered or sold in the United States or to US persons (as defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration. Access has been limited so that it shall not constitute a general solicitation in the United States or elsewhere. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

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The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriter or any affiliate of the underwriter is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriter or such affiliate on behalf of the issuer in such jurisdiction. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



GuocoLand Limited

Registration Number 197600660W
(Incorporated in the Republic of Singapore)

\$S345 million Tranche 1 Convertible Bonds due 2012 **\$S345 million Tranche 2 Convertible Bonds due 2012** **(subject to increase pursuant to the Upsize Option (as defined herein))** **Issue price of Tranche 1 Bonds: 100 per cent.** **Issue price of Tranche 2 Bonds: 100 per cent.**

The \$S345 million Tranche 1 Convertible Bonds due 2012 (the "**Tranche 1 Bonds**") and \$S345 million Tranche 2 Convertible Bonds due 2012 (the "**Tranche 2 Bonds**") and together with the Tranche 1 Bonds, the "**Bonds**") will be issued by GuocoLand Limited (the "**Issuer**" or "**GuocoLand**"). The issue price of the Bonds shall be 100 per cent. of the aggregate principal amount of the Bonds.

Subject to the Relevant Approvals (as defined in the Terms and Conditions of the Bonds (the "**Terms and Conditions**")) being obtained, the Bonds are convertible by holders into ordinary shares of the Issuer (the "**Shares**") at any time on or after the date falling two business days (such date not being later than 1 August 2007) after the book closure date of the Rights Issue (as defined herein) up to the close of business (at the place the Bonds are deposited for conversion) on 27 April 2012 unless previously redeemed, converted, purchased or cancelled, except during a Closed Period (as defined in the Terms and Conditions). The conversion price (subject to adjustment in the manner provided in the Terms and Conditions) (the "**Conversion Price**") will initially be \$S6.216 per Share. The Shares are listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and application has been made for the listing of the new Shares to be issued on conversion of the Bonds on the SGX-ST. On 19 April 2007, the closing price of the Shares on the SGX-ST was \$S5.00 per Share. See "Terms and Conditions of the Bonds – Conversion" and "Information Concerning the Shares".

The Bonds may be redeemed, in whole and not in part, at the option of the Issuer subject to satisfaction of certain conditions, at their principal amount plus the Early Redemption Interest Amount (as defined in the Terms and Conditions) at the date fixed for such redemption if at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued. The Bonds may be converted to Shares at the option of the Issuer by notice to the Bondholders pursuant to the Terms and Conditions. The Bonds may also be redeemed at their principal amount plus their Early Redemption Interest Amount on the date specified in such notice in the event of certain changes in the laws and regulations relating to taxation in Singapore or any political subdivision or any authority thereof/therein having power to tax. Holders of the Bonds will have the right to require the Issuer to redeem the Bonds at their principal amount plus Early Redemption Interest Amount (i) in the event of a Change of Control (as defined in the Terms and Conditions) or (ii) in the event that the Shares cease to be listed or admitted to trading on the SGX-ST.

The Bonds will not pay interest except for Early Redemption Interest Amount (as defined in the Terms and Conditions) or Final Redemption Interest Amount (as defined in the Terms and Conditions) and except in certain other limited circumstances. Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed at their principal amount plus Final Redemption Interest Amount (as defined in the Terms and Conditions) on 7 May 2012.

Payments on the Bonds will be made without deduction for or on account of taxes of Singapore or any political subdivision or any authority thereof/therein having power to tax, unless such deduction is required by law as described under "Terms and Conditions of the Bonds – Taxation". In that event, subject to certain exceptions as described under "Terms and Conditions of the Bonds – Taxation", the Issuer will pay such additional amounts as will result in the receipt by holders of such amounts as would have been received by them had no such deduction been required, provided that if the Issuer becomes obliged to pay such additional amounts and the obligation to pay such additional amounts cannot be avoided by the use of reasonable measures, the Issuer may give notice to redeem the Bonds at their principal amount plus Early Redemption Interest Amount. See "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation".

A Bondholder's option to convert any Bond into Shares is called the "**Conversion Right**". No Conversion Rights shall exist unless and until all the Relevant Approvals have been obtained. The Conversion Rights shall only come into existence and shall be granted by the Issuer, on the date falling two business days (such date not being later than 1 August 2007) after the book closure date of the Rights Issue. The Issuer has undertaken to the Bookrunner to convene an extraordinary general meeting of its shareholders to approve the Conversion Rights and the issue of the Shares which would have been required to be issued on conversion of the Bonds ("**Conversion Shares**") and take all steps as may be necessary in this regard by no later than 1 August 2007. At the date of this Offering Circular, the Issuer does not have any of the Relevant Approvals, including the approval from its shareholders to allow conversion of the Bonds into Shares and the issue of the Conversion Shares. In the event that all or any of the Relevant Approvals are not obtained by 1 August 2007 (a "**Mandatory Redemption Event**"), the Issuer shall, within one business day after the Mandatory Redemption Event, notify the Bondholders of such Mandatory Redemption Event, and the Issuer shall repurchase all (and not some only) of the Bonds at a price equal to their principal amount plus interest equal to their Early Redemption Interest Amount on the date set by the Issuer for such repurchase, which shall not be more than 15 days following the date on which the Issuer notifies the Bondholders of the Mandatory Redemption Event. See "Risk Factors-Risks associated with the Bonds and the Shares-Currently, we do not have approval from our shareholders to allow conversion of the Bonds into Shares and the issue of the Conversion Shares".

Application has been made for the listing of the Bonds and the new Shares to be issued on conversion of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offering Circular. Approval for the listing of the Bonds and the new Shares to be issued on conversion of the Bonds is not to be taken as an indication of the merits of the Bonds, the Shares, the Issuer or its subsidiaries.

For a discussion of certain investment considerations relating to the Bonds, see "Risk Factors".

The Bonds will be represented by global certificates (the "**Global Certificates**") in registered form, deposited with a common depository for, and registered in the name of a nominee of, Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, Société Anonyme ("**Clearstream, Luxembourg**") on or about 7 May 2007, being the closing date (the "**Closing Date**"), for the accounts of their respective accountholders.

Beneficial interests in the Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Except as described herein, certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificates.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act ("Regulation S")).

For a description of these and certain further restrictions on offers and sales of the Bonds and the Shares to be issued upon conversion of the Bonds, and the distribution of this Offering Circular, see "Subscription and Sale".

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds 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, or any other person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Sole Bookrunner



Joint Lead Managers



HL Bank
(a limited liability company incorporated in Malaysia)
A Member of the Hong Leong Group Malaysia



The date of this Offering Circular is 4 May 2007

The Issuer accepts responsibility for the information contained in this Offering Circular and, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer and its subsidiaries (together, the “**Group**”), the Bonds and the Shares which is material in the context of the issue and offering of the Bonds. Where information contained in this Offering Circular includes extracts from summaries of information and data from various published and private sources, the sole responsibility of the Issuer in relation to such summaries and data has been to ensure that they have been accurately extracted from such source. The Issuer does not warrant that such summaries and data are accurate or complete.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or J.P. Morgan (S.E.A.) Limited (the “**Bookrunner**”) or HL Bank and Oversea-Chinese Banking Corporation Limited (collectively, the “**Joint Lead Managers**”) to subscribe for or purchase any of, the Bonds or Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law.

Persons into whose possession this Offering Circular comes are required by the Issuer, the Bookrunner and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Bonds and the Shares to be issued upon conversion of the Bonds, and distribution of this Offering Circular, see “Subscription and Sale”.

The Bookrunner and the Joint Lead Managers have not separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Bookrunner and the Joint Lead Managers as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with the Bonds or the Shares. Each person receiving this Offering Circular acknowledges that such person has not relied on the Bookrunner and the Joint Lead Managers or on any person affiliated with the Bookrunner and the Joint Lead Managers in connection with their investigation of the accuracy of such information or its investment decision.

This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by either the Issuer or the Bookrunner and the Joint Lead Managers that any recipient of this Offering Circular should purchase the Bonds. The information contained in this Offering Circular does not constitute any legal, business, financial or tax advice, and no representation is made to any person regarding the legality of an investment in the Bonds under any laws or regulations. Each potential purchaser of the Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Bonds should be based upon such independent investigations and consultations with its own tax, legal, business and other advisers as it deems necessary.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Bonds, including the merits and risks involved. See “Risk Factors” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Bookrunner and the Joint Lead Managers. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, at any time under any circumstances, constitute a representation or create any implication that the information contained in it is correct as at any time subsequent to its date.

This Offering Circular is confidential and has been prepared by the Issuer and the Bookrunner solely for use in connection with the proposed offering of the Bonds described herein. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Bonds or the Shares issuable upon conversion of the Bonds. Distribution of this Offering Circular to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited. This Offering Circular may not be copied or reproduced in whole or in part. Each prospective purchaser, by accepting delivery of this Offering Circular, agrees to the foregoing.

The Bonds and the Shares to be delivered upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to (i) the “**Issuer**” or “**GuocoLand**” are to GuocoLand Limited, (ii) the “**Group**” are to GuocoLand and its subsidiaries, (iii) “**Singapore**” are to the Republic of Singapore, (iv) “**US**” and “**United States**” are to the United States of America and “**US\$**” are to the lawful currency of the United States, (v) “**UK**” are to the United Kingdom, (vi) “**China**” or “**PRC**” are to the People’s Republic of China, (vii) “**Singapore dollars**” and “**S\$**” are to the lawful currency of Singapore, (viii) “**Renminbi**” and “**RMB**” are to the lawful currency of the PRC, (ix) “**Malaysian Ringgit**” and “**MYR**” are to the lawful currency of Malaysia, (x) “**FY**” are to a financial year ended or ending 30 June and (xi) in the context of Singapore, “**gross floor area**” means the site area multiplied by the plot ratio, and “**saleable area**” represents the area that is available for sale.

This Offering Circular relates to an invitation to subscribe for Bonds and does not constitute an offer of the Bonds, and reference to offers or offerings of the Bonds shall be construed accordingly.

Certain figures in this Offering Circular have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures which precede them.

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Issuer nor the Bookrunner and the Joint Lead Managers makes any representation as to the accuracy of that information.

In connection with the issue of the Bonds, the Bookrunner as the stabilising manager (the “**Stabilising Manager**”) may, to the extent permitted by applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail in the open market, but in doing so the Bookrunner shall act as principal and not as agent of the Issuer and any loss resulting from over-allotment or stabilisation shall be borne, and any profit arising therefrom shall be beneficially retained, by the Bookrunner. However, there is no assurance that the 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 Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds.

Forward-Looking Statements

The Issuer has made certain forward-looking statements in this Offering Circular. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer or the Group, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding GuocoLand's or the Group's financial position, future expansion plans, prospects, business strategy and the plans and objectives of GuocoLand's or the Group's management for its future operations, development plans and objectives relating to GuocoLand's or the Group's operations, are forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer and the Group's present and future business strategies and the environment in which the Issuer and the Group will operate in future and such forward-looking statements are inherently subject to risks, uncertainties and assumptions, including, among other things: risks associated with international global business activities; general economic and political conditions; possible disruptions to commercial activities due to natural and human induced disasters, including terrorist activities and armed conflicts; fluctuations in foreign currency exchange rates; and those other risks identified in the "Risk Factors" section of this Offering Circular.

The words "anticipate", "believe", "estimate", "expect", "intend", "plan", "forecast", "if", "may", "possible", "probable", "project", "should", "will", "would" and similar expressions are intended to identify a number of these forward-looking statements. The Issuer undertakes no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur and the Issuer's or the Group's actual results could differ materially from those anticipated in these forward-looking statements.

These forward-looking statements speak only as of 3 May 2007. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

Incorporation of Financial Reports by Reference

The Issuer has prepared statutory audited consolidated financial statements for the financial years ended 30 June 2004, 2005 and 2006, as well as the Issuer's unaudited consolidated financial statements as at and for the nine months period ended 31 March 2007 and 31 March 2006 (the "**3Q Financial Statements**"), as set out in the announcements dated 19 April 2007 and 27 April 2006, respectively.

The statutory audited consolidated financial statements for the financial years ended 30 June 2004, 2005 and 2006, and the auditors' report in respect of the statutory audited consolidated financial statements of the Issuer for FY2005 and FY2006, which are contained in the Annual Report for FY2005 and FY2006 of the Issuer (the "**Annual Reports**") and the 3Q Financial Statements are incorporated by reference into this Offering Circular.

A copy of the Annual Reports and the announcements dated 19 April 2007 and 27 April 2006 (the "**3Q Results Announcements**") can be downloaded from the SGX-ST website <http://www.sgx.com> and from the Issuer's website at <http://www.guocoland.com.sg>.

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Summary

This summary highlights information contained elsewhere in this Offering Circular. This summary may not contain all of the information that should be considered before deciding to invest in the Bonds, and is qualified in its entirety by, and is subject to and should be read in conjunction with, the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Offering Circular. Terms defined elsewhere in this Offering Circular have the same meanings when used herein. The Issuer recommends reading this entire Offering Circular carefully, including the financial statements and related notes incorporated by reference in this Offering Circular and "Risk Factors".

*Unless otherwise stated, all information in this Summary is stated as at 30 April 2007, being the latest practicable date ("**Latest Practicable Date**") prior to the printing of this Offering Circular for the purpose of ascertaining certain information contained herein.*

Overview

GuocoLand was incorporated in Singapore as a private limited company on 31 March 1976 and became listed on the SGX-ST on 14 November 1978.

The Group ventured into property development and investment in 1990 and has since established property operations in its core geographical markets of Singapore, China and Malaysia. In furtherance of the Issuer's vision to be a premier regional property company, GuocoLand is focused on achieving scalability, sustainability and growth in these core markets through its property development, investment and management businesses.

The parent company of GuocoLand is Guoco Group Limited ("**GGL**"), a public company listed on The Stock Exchange of Hong Kong Limited. GGL is a member of the Hong Leong Group Malaysia, a diversified group in Malaysia with core businesses in financial services, manufacturing and distribution, property, investments, hotel and hospitality.

As at 30 June 2006, the Issuer had an issued and paid-up capital of S\$839.7 million, shareholders' funds of S\$1.1 billion, total assets of S\$2.7 billion and turnover of S\$361.3 million. As at the Latest Practicable Date, the Issuer had a market capitalisation of S\$3.6 billion.

Business

The principal activity of the Issuer is that of an investment holding company. The principal business activities of its subsidiaries are property development, property investment, property management and activities relating thereto. The Group has operations in Singapore, China, Malaysia, Vietnam and India.

Singapore

(a) Property Development

GuocoLand is a well-established developer in the private residential property market in Singapore having successfully developed and sold 24 residential projects in Singapore yielding more than 7,200 apartments and homes over the last 17 years.

GuocoLand is active across all residential market segments in Singapore and currently has five launched residential developments for sale: Le Crescendo, The Stellar, The Quartz, The View @ Meyer and The Boulevard Residence (in which the Group has 40% interest). As at the Latest Practicable Date, the Group has achieved sales of 78% in Le Crescendo, 96% in The Stellar, 84% in The View @ Meyer, 93% in The Boulevard Residence, and 80% of the 320 launched units in The Quartz, a 625-unit development. Six of the Group's developments, namely, Paterson Residence, Leonie Studio, Bishan Point, The Gardens At Bishan, Sanctuary Green and The Ladyhill (in which the Group has 40% interest) became fully sold in the current financial year.

Over the last five months, the Group has entered into a series of en bloc land acquisitions to replenish its landbank in Singapore:

- In December 2006, the Group successfully tendered for the en bloc purchase of the freehold property known as Sophia Court which is located at Mount Sophia in District 9. This site with land area of approximately 15,435 square metres, is in the vicinity of Orchard Road, within walking distance of the Dhoby Ghaut MRT station.
- In March 2007, the Group entered into another conditional collective sale and purchase agreement to acquire the freehold property known as Palm Beach Garden which is located in a quiet residential enclave at Elliot Road near the East Coast Park. This site has a land area of approximately 10,108 square metres.
- In April 2007, the Group successfully tendered for the en bloc purchase of Leedon Heights. This freehold site is located in District 10, off Holland Road and Farrer Road, within a prime residential enclave next to the Leedon Park Good Class Bungalow area. It is within walking distance of the Farrer MRT station on the new Circle Line which is currently under construction. The property has a land area of approximately 48,525 square metres.

The above acquisitions are subject to certain conditions including regulatory approvals. These three latest acquisitions in prime locations are slated for redevelopment into residential developments.

The Group is preparing to launch a high-end freehold condominium development on a 24,845 square metres site at the Newton/Scotts area.

As at the Latest Practicable Date, the Group's landbank in Singapore, in terms of saleable area, is approximately 100,125 square metres. Upon completion of the three recent en bloc land acquisitions of Sophia Court, Palm Beach Garden and Leedon Heights, the Group's landbank in Singapore, in terms of saleable area, will increase to approximately 245,446 square metres.

(b) Property Investment

The Group owns Tung Centre which is located at Collyer Quay in Singapore's Central Business District at Raffles Place. As at the Latest Practicable Date, Tung Centre enjoys full occupancy.

(c) Property-Related Services

The Group's wholly-owned property management subsidiary, GuocoLand Property Management Pte. Ltd. ("**GLPM**"), undertakes marketing and project management services relating to the Group's development projects in Singapore. With about 16 years of experience in property-related services, GLPM continues to provide the Group with its expertise and know-how.

China

The Group's wholly-owned subsidiary, GuocoLand (China) Limited ("**GLC**"), has had an active presence in China since 1994. GLC's property portfolio comprises interests in well-located property assets in the major cities of Beijing, Shanghai and Nanjing where it has established property operations.

In Beijing, GLC has a 99.04% interest in a land parcel of approximately 36,501 square metres located within the Second Ring Road in the Feng Sheng area along Tai Ping Qiao Da Jie within the Xicheng District of Beijing. A 810-unit residential development named West End Point is being built on the site, which is a short drive away from the main Xi Chang An Road and Financial Street. As at the Latest Practicable Date, 67% of the units in West End Point had been sold.

In Shanghai, GLC has a 98% interest in Central Park, a prime residential development comprising 262 units. Central Park is located at the junctions of Taoyuan Road and Liulin Road in the Luwan District, parallel to the shopping and entertainment belt of Huai Hai Middle Road. As at the Latest Practicable Date, Central Park is 97% sold. GLC also has a 100% interest in a site of approximately 144,000 square metres situated in the Changfeng area in the Putuo District of Shanghai. Hong Qiao International Airport is a short drive from this site. An integrated residential, retail and office development is planned for this site.

In Nanjing, GLC has a 94.93% stake in a land parcel of approximately 90,000 square metres in the Maqun area of the Qixia District in the eastern part of Nanjing City where a 1,112-unit residential development named Ascot Park is under construction. The site is located about 14 kilometres from the Nanjing city centre. This will be the Group's maiden project in Nanjing. GLC also has a 99% interest in a 296,000 square metre land parcel in the Gujiaying area. The site is located near the Purple Mountains in the Xuanwu District. The proposed residential development, named Hillview Regency, will comprise about 2,000 residential units.

The Group continues to expand its presence in major cities in China with two recent acquisitions:

- In March 2007, GLC signed a conditional share acquisition agreement to acquire a 100% stake in a PRC project company which holds the land use and development rights to a land parcel known as Plot 12 of approximately 26,000 square metres located in Laochengxiang area in the Nankai District of Tianjin city. This acquisition marks the Group's entry into Tianjin, which is being developed into a major commercial, industrial and financial centre in northern China.
- In April 2007, GLC signed a conditional share acquisition agreement to acquire a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("**Beijing Cheng Jian Project Co**"), which owns the land use and development rights to a prime land parcel of 106,000 square metres located along Dongzhimen Road on the East Second Ring Road in the Dong Cheng District of Beijing City (the "**Dongzhimen Site**"). The Dongzhimen Site is currently being developed into an integrated retail, hotel, office, residential and transportation terminal hub comprising two metro stations, a bus interchange and an express rail link with flight check-in services giving a quick 15-minute access to the Beijing International Airport. As at the Latest Practicable Date, RMB500 million has been paid for the transfer of 100% of Hainan Jing Hao Asset Limited ("**Hainan Co**"), which holds a 31.5% stake in Beijing Cheng Jian Project Co, to GLC. Please refer to the section on "Risk Factors – Other Risks" for further information on this proposed acquisition.

With the proposed Tianjin Laochengxiang and Beijing Dongzhimen acquisitions, the Group's landbank in China will increase to approximately 2 million square metres of gross floor area.

Malaysia

As at the Latest Practicable Date, the Group has a 64.98% interest in GuocoLand (Malaysia) Berhad ("**GLM**"), a major Malaysian property group with established property operations in Malaysia. GLM became a subsidiary of GuocoLand in May 2006 following the close of a general offer.

GLM was incorporated in Malaysia on 5 May 1920 and has been listed on the Main Board of Bursa Malaysia Securities Berhad ("**Bursa Securities**") since 1961. The principal activities of GLM are investment holding and provision of management services. GLM's subsidiaries are involved in property development, property investment, hotel operations, investment holding, trading in securities and provision of management services including being managers of the Tower Real Estate Investment Trust ("**Tower REIT**") which is also listed on the Main Board of Bursa Securities.

GLM currently has eight on-going residential development projects in the Klang Valley, located in the northern corridors of Rawang and Sungai Buloh and the southern corridors of Cheras and Sepang. GLM also has 8.4 acres of freehold land in Damansara Heights in Kuala Lumpur. Development approval had been obtained for an integrated mixed development comprising 2.2 million square feet of residential apartments, two office blocks, a 5-star hotel and a retail mall.

In March 2007, GLM completed the acquisition of eighty-four freehold parcels of contiguous land measuring an aggregate of approximately 16.1 acres. These land parcels are located off Jalan Cheras, approximately seven kilometres from Kuala Lumpur city centre. The land is slated for the development of high-end residential bungalows.

The property portfolio held by GLM, its subsidiaries ("**GLM group**") and its joint venture companies comprise mainly residential and commercial assets in Malaysia; and approximately 11,772 acres of land for residential and township development located primarily in the Klang Valley, Rawang, Sepang and Malacca. The GLM group also has interests in 3 hotels namely, Hyatt Regency Johor Bahru and Guoman Port Dickson in Malaysia and Guoman Hanoi in Vietnam.

GLM is also the manager of Tower REIT which was listed on Bursa Securities in April 2006. Tower REIT currently has a property portfolio comprising three freehold commercial buildings, namely HP Towers, Menara HLA and 78.33% of the total share unit entitlement of Menara ING, which have a total net lettable area of approximately 83,451 square metres. GLM derives recurring management income in tandem with growth in the assets of Tower REIT.

Vietnam

GuocoLand Vietnam (S) Pte. Ltd. ("**GLV**") has been established as the holding company for the Group's Vietnam operations to facilitate the Group's entry into this fast-emerging market. GLV had signed a conditional agreement in December 2005 to acquire a land parcel of approximately 175,000 square metres next to the Vietnam Singapore Industrial Park ("**VSIP Site**"), within the Thuan An district of Binh Duong Province. The VSIP Site is about 17 kilometres north of Ho Chi Minh City. In September 2006, GLV was awarded an investment licence from the Ministry of Planning and Investment of Vietnam for the proposed development of an integrated residential, commercial, hotel and retail project on this site with potential gross floor area of approximately 240,000 square metres.

India

Through joint ventures, the Group has been involved in the development of two identical office towers called Signature Towers and another industrial/commercial development named Infocity, in Gurgaon south of Delhi. Signature Towers has been completely sold and Infocity has been substantially sold.

The Group also has a deemed 20% interest in a residential cum commercial project located at Bara Hindu Rao and Kishanganj area in Delhi. This project is about four kilometres away from Connaught Place. Construction of the commercial development called Central Square is underway. When completed, Central Square and the residential development called Park Square, will in aggregate have a gross floor area of up to 3 million square feet.

Strategy

GuocoLand's vision is to be a premier regional property company. In furtherance of this vision, the Issuer continues to allocate resources to growth sectors in its core markets in Singapore, China and Malaysia where it has property operations, to achieve scalability, sustainability and growth in these core markets.

GuocoLand's medium and long term strategy is to create shareholder value and sustainable earnings with an emphasis on growth. The Group is working on the following initiatives:

- ***Scalability through quality land acquisitions in the countries in which it operates***

The Group will seek to replenish its landbank in the countries in which it operates whenever there are opportunities for attractive land acquisitions. The Group's landbank in the countries in which it operates are as follows:

Singapore: With the proposed en bloc acquisitions of Sophia Court, Palm Beach Garden and Leedon Heights, the Group's landbank in Singapore in terms of saleable area will be approximately 245,446 square metres.

China: With the proposed Tianjin Laochengxiang and Beijing Dongzhimen acquisitions, the Group's landbank in China will increase to approximately 2 million square metres of gross floor area.

Malaysia: The Group has established a strong presence in Malaysia by increasing its stake in GLM thereby making it a subsidiary. The property portfolio held by GLM group and its joint venture companies comprise mainly residential and commercial assets in Malaysia; and approximately 11,772 acres of land for residential and township development located primarily in the Klang Valley, Rawang, Sepang and Malacca.

Vietnam: The VSIP Site with potential gross floor area of 240,000 square metres is slated for an integrated residential, commercial, hotel and retail development.

The Group intends to replenish its landbank when its development projects are progressively sold. The Group continuously explores investment opportunities and/or acquisitions in the real estate sector.

- ***Expansion into new markets***

With Asian economies on track for growth, the Group has identified Vietnam as a new growth market and will continue to evaluate and explore other new markets for opportunities for growth.

- ***Selective development of signature projects and integrated developments***

GuocoLand will leverage on its core competencies in property development, investment and management to selectively undertake well-located landmark property development projects and integrated developments in the countries in which it operates to create value and scale in its business model.

- ***Recurring income from managing third party assets***

The Group will continuously review its capital allocation and deployment with the objective of being asset light. It will also seek to develop its fee-based income. Tower REIT which was set up by GLM in 2006 is a step in this direction.

Competitive Strengths

The Issuer believes that the Group has the following competitive strengths:

Core competencies as a real estate developer in Singapore, China and Malaysia

The Group has been involved in property development and investment since 1990. It is a well-established developer in the private residential property market in Singapore having successfully developed and sold 24 residential projects in Singapore yielding more than 7,200 residential apartments and homes over the last 17 years. Through GLC, the Group has also established property operations in the major cities of Beijing, Shanghai and Nanjing in China and through GLM, in Malaysia.

Sustainable landbank in its core markets

The Group's strategy of building up a sustainable landbank in the countries in which it operates has enabled the Group to expand its property development operations, thereby increasing its market presence in these countries.

Experienced and professional management team

The Group has an experienced and professional management team led by its Group President and Chief Executive Officer, Mr Quek Chee Hoon and comprising Mrs Trina Loh, the Managing Director of the Group's Singapore Property Division, Ms Violet Lee, the Managing Director of the Group's China Property Division and Mr Kwek Leng Seng, Group Managing Director of GLM, Mr Jerry Lee, the Chief Financial Officer of GuocoLand, Mrs Dawn Pamela Lum, the General Manager, Corporate Affairs and Group Company Secretary of GuocoLand, with their respective management and technical teams.

Strong balance sheet

The Group has a strong balance sheet with a net asset value of S\$1.3 billion and shareholders' funds of S\$1.1 billion as at 30 June 2006. The Group has been profitable in the last four years with net profits (after tax and minority interests) of S\$94.2 million in FY2003, S\$120.0 million in FY2004, S\$82.7 million in FY2005 (Restated) and S\$155.6 million in FY2006.

Ability to leverage on the strength and track record of Guoco Group and Hong Leong Group Malaysia

The Group is part of the Guoco Group and the Hong Leong Group Malaysia, a brief description of which is set out below.

Guoco Group Limited

GGL was incorporated in Bermuda on 25 May 1990 and has been listed on The Stock Exchange of Hong Kong Limited since 22 January 1991.

GGL is an investment holding and investment management company. GGL has four core businesses, namely, Proprietary Asset Management; Property Development and Investment; Hospitality and Leisure Business; and Financial Services. GGL's operating subsidiary companies and investment activities are principally located in Hong Kong, China, Singapore, Malaysia and the United Kingdom. As at 30 June 2006, GGL had a paid-up capital of HK\$1,278 million, shareholders' funds of HK\$36.9 billion, total assets of HK\$58.0 billion and annual turnover of HK\$44.0 billion. As at the Latest Practicable Date, GGL has a market capitalisation of HK\$37.3 billion.

Hong Leong Group Malaysia

Founded more than 40 years ago in 1963, the Hong Leong Group Malaysia is a diversified group in Malaysia with core businesses in financial services, manufacturing and distribution, property, investment, hotel and hospitality. As at the Latest Practicable Date, the Hong Leong Group Malaysia comprises 14 listed companies in Malaysia, Singapore and Hong Kong with a total market capitalisation of approximately US\$15.6 billion.

Strong corporate governance and internal controls

The Group is committed to maintaining good standards of corporate governance and has its own code of corporate governance which provides the framework for its corporate governance policies and practices. The Group also has in place an enterprise risk management framework and internal controls to identify and mitigate significant business risks.

The Offering

Terms used in this summary and not otherwise defined shall have the meanings given to them in the Terms and Conditions. As it is a summary, it does not contain all the information that may be important to investors. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety.

Issuer	GuocoLand Limited.
Tranche 1 Bonds	S\$345 million Convertible Bonds due 2012 convertible into fully-paid Shares of the Issuer.
Tranche 2 Bonds	S\$345 million Convertible Bonds due 2012 convertible into fully-paid Shares of the Issuer.
Shares	Ordinary shares of the Issuer.
Issue Price of Tranche 1 Bonds	The Tranche 1 Bonds will be issued at 100 per cent. of their principal amount.
Issue Price of Tranche 2 Bonds	The Tranche 2 Bonds will be issued at 100 per cent. of their principal amount.
Issue Date	7 May 2007.
Maturity Date	7 May 2012.
Yield to Maturity of the Tranche 1 Bonds	0.60 per cent. per annum calculated on a semi-annual basis.
Yield to Maturity of the Tranche 2 Bonds	1.90 per cent. per annum calculated on a semi-annual basis.
Status of the Bonds	The Bonds constitute direct, unsubordinated, unconditional and (subject to the negative pledge referred to below) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge referred to below, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Negative Pledge	The Bonds will contain a negative pledge provision as further described in the "Terms and Conditions of the Bonds – Negative Pledge".

Conversion Right

A Bondholder's option to convert any Bond into Shares is called the "**Conversion Right**". No Conversion Rights shall exist unless and until all the Relevant Approvals (as defined in the Terms and Conditions) have been obtained. The Conversion Rights shall only come into existence and shall be deemed to be granted by the Issuer (i) after all Relevant Approvals have been obtained and (ii) on the date falling two business days (such date not being later than 1 August 2007) after the books closure date of the Rights Issue.

For this purpose, "**Relevant Approvals**" means (i) approval from the shareholders of the Issuer at an extraordinary general meeting of the Issuer to be convened for the Conversion Rights and the issue of the Conversion Shares; (ii) approval from the shareholders of GGL for dilution of the shareholding of GGL in the Issuer to allow the Conversion Rights; and (iii) approval from the SGX-ST for the shareholders' circular to be issued by the Issuer to seek the aforesaid approval from the shareholders of the Issuer.

Subject to and upon compliance with the Terms and Conditions, Conversion Rights attaching to any Bond may be exercised, at the option of the holder thereof, at any time on or after the date falling two business days (such date not being later than 1 August 2007) after the books closure date of the Rights Issue up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on 27 April 2012 (but, except as provided in the Terms and Conditions, in no event thereafter) or, if such Bond shall have been called for redemption before 27 April 2012, then up to the close of business (at the place aforesaid) on a date no later than seven business days (at the place aforesaid) prior to the date fixed for redemption thereof.

Notwithstanding anything in the Terms and Conditions, Bondholders (including Bondholders who convert their Bonds into Shares) shall not be entitled to participate in the Rights Issue. For the purposes hereof, "**Rights Issue**" means the proposed renounceable rights issue by the Issuer announced by the Issuer in its announcement dated 19 April 2007 comprising 221,882,489 Shares at an issue price of S\$2.50 per Share, on the basis of one Share for every three existing Shares in the capital of the Issuer.

Conversion Price

The Conversion Price (subject to adjustment in the manner provided in the Terms and Conditions) will initially be S\$6.216 per Share but will be subject to adjustment in the manner provided in the Terms and Conditions. The conversion ratio (the "**Conversion Ratio**") is equal to the principal amount of each Bond divided by the then Conversion Price.

Optional Conversion Price Reset

At any time after 7 May 2007, the Issuer may in its discretion, by providing no less than 10 days notice to the Bondholders in accordance with the Conditions (the final day of such notice being the "**Reset Date**"), reset the Conversion Price (the "**Reset Reference Price**") provided that the Reset Reference Price is less than the Conversion Price in effect on the relevant Reset Date (taking into account any adjustments as described in the Terms and Conditions which may have occurred prior to the relevant Reset Date). The Conversion Price shall be adjusted at the option of the Issuer, by notice to the Bondholders in accordance with the Terms and Conditions, on the relevant Reset Date so that the Reset Reference Price (subject to the paragraph below) will become the adjusted Conversion Price with effect from the relevant Reset Date.

Any such adjustment to the Conversion Price shall be limited such that the adjusted Conversion Price in no event shall be less than 70 per cent. of the initial Conversion Price (subject to adjustments for the Rights Issue and all other adjustments to be made pursuant to the Conditions but excluding, for the avoidance of doubt, the effect of any resets to the Conversion Price pursuant to Condition 6.7 of the Terms and Conditions). See "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Optional Conversion Price Reset".

Mandatory Conversion

At any time on or after 7 May 2009 and prior to the date falling seven business days prior to the Maturity Date, the Issuer may, having given not less than 10 Trading Days (as defined in the Terms and Conditions) notice of mandatory conversion (the "**Mandatory Conversion Notice**") to the Bondholders (the "**Mandatory Conversion Notice Period**"), mandatorily convert all but not some only of the Bonds outstanding into Shares (the "**Mandatory Conversion**") provided that no such conversion may be made unless the Volume Weighted Average Price (as defined in the Terms and Conditions) of the Shares for each of 10 consecutive Trading Days, the last of which occurs not more than 10 Trading Days prior to the date upon which notice of conversion is published, was at least 120 per cent. of (x) the principal amount of the Bonds plus interest equal to the applicable Early Redemption Interest Amount (as defined in the Terms and Conditions) divided by (y) the Conversion Ratio (the "**Trigger Event**"). If there shall occur an event giving rise to a change in the Conversion Price during any such 10 consecutive Trading Day period or during the applicable notice period, appropriate adjustments for the relevant days shall be made for the purpose of calculating the Volume Weighted Average Price for such days.

Mandatory Redemption

The Bonds will be mandatorily redeemed under the Terms and Conditions if any of the Relevant Approvals have not been obtained by 1 August 2007. See "Terms and Conditions of the Bonds – Mandatory Redemption of Bonds in the event the Relevant Approvals are not obtained".

Final Redemption	<p>Unless previously redeemed, converted or purchased and cancelled in the circumstances referred to in the Terms and Conditions, the Issuer will redeem Tranche 1 Bonds at its principal amount plus interest of 0.60 per cent. per annum on a semi-annual basis of its principal amount and Tranche 2 Bonds at its principal amount plus interest of 1.90 per cent. per annum on a semi-annual basis of its principal amount on the Maturity Date. The Issuer may not redeem the Bonds at its option prior to that date except as provided in the Terms and Conditions.</p>
Redemption at the Option of the Issuer	<p>If at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 16 of the Terms and Conditions), the Issuer shall have the option to redeem such outstanding Bonds in whole but not in part at their principal amount plus interest equal to the applicable Early Redemption Interest Amount. See "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption at the Option of the Issuer".</p>
Redemption for Taxation Reasons	<p>The Issuer may redeem all (and not some only) of the Bonds at their principal amount plus interest equal to the applicable Early Redemption Interest Amount, if it is obliged to gross up for any deduction or withholding for taxes as a result of any changes in the laws or regulations of Singapore which take effect on or after 7 May 2007 and such obligation cannot be avoided by the Issuer taking reasonable measures available to it. See "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Taxation Reasons".</p>
Early Redemption at the Option of the Bondholders	<p>In respect of the Tranche 1 Bonds only, the Issuer will, at the option of any Bondholder, redeem all or some of that Bondholder's Tranche 1 Bonds on 7 May 2010, at their principal amount plus interest equal to the applicable Early Redemption Interest Amount. See "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption at the Option of the Bondholders".</p> <p>In respect of the Tranche 1 Bonds and Tranche 2 Bonds, holders of the Bonds may require the Issuer to redeem in whole but not in part their Bonds at their principal amount plus interest equal to the applicable Early Redemption Interest Amount, upon:</p> <ul style="list-style-type: none"> (i) the occurrence of a Change of Control; or (ii) a delisting of the Shares from the SGX-ST. <p>See "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Change of Control" and "Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Delisting Put Right".</p>

Form and Denomination of the Bonds	<p>The Bonds are issued in registered form in the denomination of S\$100,000 each or integral multiples thereof.</p> <p>Upon issue, the Bonds will be represented by Global Certificates deposited with a common depositary for, and representing Bonds registered in the name of a common nominee of, Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, société anonyme. The Terms and Conditions are modified by certain provisions contained in the Global Certificates. See “Terms and Conditions of the Bonds – Form, Denomination and Title – Form and Denomination” and “Summary of provisions relating to the Bonds while in global form”.</p>
Further Issues	<p>The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.</p>
Taxation	<p>All payments of principal made by the Issuer will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Singapore or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required, except in the circumstances specified in “Terms and Conditions of the Bonds – Taxation”.</p>
Selling Restrictions	<p>There are restrictions on the offer, sale and transfer of the Bonds in, among others, the European Economic Area, Hong Kong, Japan, Singapore, Spain, Italy, the United Kingdom and the United States. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “Subscription and Sale”.</p>
Listing and Trading of the Bonds	<p>Application has been made for the listing of the Bonds on the SGX-ST. Subject to SGX-ST’s approval, the Bonds will be traded on the SGX-ST in a minimum board lot size of S\$200,000 for so long as the Bonds are listed on the SGX-ST. The Shares are currently listed on the SGX-ST. Application has been made for the listing and quotation of the new Shares to be issued upon the conversion of the Bonds.</p>
Trustee	<p>The Hongkong and Shanghai Banking Corporation Limited.</p>

Principal Paying Agent,
Conversion Agent and
Transfer Agent

The Hongkong and Shanghai Banking Corporation Limited.

Registrar

The Hongkong and Shanghai Banking Corporation Limited.

Governing Law

The Bonds will be governed by, and construed in accordance with, the laws of England.

Lock-up

The Issuer has agreed to a lock-up in relation to the Shares for a period of 60 days after the Closing Date. Guoco Group Limited has also agreed to a lock-up in relation to the Shares for a period of 45 days from the Closing Date and to maintain a minimum holding of 51% of the share capital of the Issuer till such date as all Relevant Approvals (as defined in the Terms and Conditions) have been obtained. See "Subscription and Sale".

Use of Proceeds

The net proceeds of the issue of the Bonds (after the deduction of fees, commissions and expenses) are expected to be approximately S\$683.23 million and will be used by the Issuer for general working capital including to fund acquisitions in Singapore and China. See "Use of Proceeds".

Risk Factors

See "Risk Factors" and the other information in this Offering Circular for a discussion of factors to be carefully considered before deciding to invest in the bonds.

Summary Financial Information

The following tables set forth selected financial information of the Group (i) as at and for the financial year ended 30 June 2006 compared to those as at and for the financial year ended 30 June 2005 (Restated), (ii) as at and for the financial year ended 30 June 2005 compared to those as at and for the financial year ended 30 June 2004 and (iii) as at and for the nine months period ended 31 March 2007 compared to those at and for the nine months period ended 31 March 2006. This selected financial information of the Group should be read in conjunction with the audited financial statements of the Group for the years ended 30 June 2006, 30 June 2005 and 30 June 2004 as presented in the Annual Reports and the 3Q Financial Statements.

The unaudited consolidated financial statements for the nine months ended 31 March 2007 and 31 March 2006 were prepared by the Issuer in accordance with the regulatory requirements of the SGX-ST. The consolidated financial statements for the nine months ended 31 March 2007 and 31 March 2006 have not been audited.

The audited financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standards ("**FRS**"). The Group adopted certain new or revised FRS that are applicable to the Group on 1 July 2005. Consequently, the audited financial statements of the Group for the financial year ended 2006 have been prepared in accordance with the relevant transitional provisions in these new or revised FRS and where applicable, the comparative financial statements of the Group for the financial year ended 30 June 2005 were restated. However, the financial information included in the following tables and the audited financial statements of the Group for the financial year ended 30 June 2004 have not been restated in respect of the new or revised FRS that were adopted by the Group on 1 July 2005 as it is impracticable to do so. For the purpose of comparison of the financial information of the Group for the financial year ended 30 June 2004, the financial information of the Group for the financial year ended 30 June 2005 before restatement have also been presented in this Offering Circular.

For a more detailed description of the effects of adoption of the applicable new or revised FRS, please refer to Note 31 "Changes in Accounting Policies" of the audited financial statements of the Group for the financial year ended 30 June 2006 included in the Annual Reports.

GuocoLand Limited
Consolidated Profit and Loss Account

	9 months ended 31 March		Financial year ended 30 June	
	Unaudited		Audited	
	2007	2006	2006	2005
	S\$'000	S\$'000	S\$'000	S\$'000 (Restated)
Revenue	341,447	301,741	361,327	419,541
Cost of sales	(267,801)	(254,140)	(318,750)	(346,166)
Gross profit	73,646	47,601	42,577	73,375
Other operating income	42,940	77,523	146,938	46,528
Administrative expenses	(14,534)	(9,231)	(14,595)	(8,945)
Other operating expenses	(7,880)	(2,559)	(935)	(3,984)
Finance costs	(21,394)	(14,900)	(22,837)	(13,450)
Share of profit of associates (net of tax)	14,750	10,160	13,609	15,677
Profit before taxation	87,528	108,594	164,757	109,201
Income tax	1,830	(6,416)	(9,102)	(24,574)
Profit for the year	<u>89,358</u>	<u>102,178</u>	<u>155,655</u>	<u>84,627</u>

Attributable to:

Equity holders of the Issuer	87,115	101,840	155,630	82,743
Minority interests	2,243	338	25	1,884
Profit for the year	<u>89,358</u>	<u>102,178</u>	<u>155,655</u>	<u>84,627</u>

	Financial year ended 30 June	
	Audited	
	2005	2004
	S\$'000	S\$'000
Revenue	419,541	300,061
Cost of sales	(345,921)	(255,851)
Gross profit	73,620	44,210
Other operating income	46,528	82,785
Administrative expenses	(8,690)	(8,779)
Other operating expenses	(3,984)	(18,612)
Profit from operations	107,474	99,604
Finance costs	(13,450)	(6,608)
Share of profit from associated companies	9,780	23,009
Profit from ordinary activities before taxation	103,804	116,005
Income tax	(25,966)	6,186
Profit from ordinary activities after taxation	77,838	122,191
Minority interests	(1,884)	(2,176)
Net profit for the year	<u>75,954</u>	<u>120,015</u>

GuocoLand Limited
Condensed Consolidated Balance Sheet

	As at 31 March		As at 30 June	
	Unaudited		Audited	
	2007	2006	2006	2005
	S\$'000	S\$'000	S\$'000	S\$'000 (Restated)
Non-Current Assets	627,153	575,399	638,205	706,318
Asset Held For Sale	—	—	140,000	—
Current Assets	2,220,207	1,698,975	1,922,625	1,417,798
Total Assets	2,847,360	2,274,374	2,700,830	2,124,116
Equity attributable to Equity Holders of the Issuer				
Share Capital	839,716	839,716	839,716	665,540
Reserves	285,577	280,264	284,949	417,537
	1,125,293	1,119,980	1,124,665	1,083,077
Minority Interests	156,722	44,497	153,356	43,943
Total Equity	1,282,015	1,164,477	1,278,021	1,127,020
Non-Current Liabilities	1,217,756	453,617	794,805	582,374
Current Liabilities	347,589	656,280	628,004	414,722
Total Liabilities	1,565,345	1,109,897	1,422,809	997,096
Total Equity and Liabilities	2,847,360	2,274,374	2,700,830	2,124,116

	As at 30 June	
	Audited	
	2005	2004
	S\$'000	S\$'000
Non-Current Assets	706,318	602,502
Current Assets	1,417,798	1,522,297
Less: Current Liabilities	414,722	596,904
Net Current Assets	1,003,076	925,393
Less: Non-Current Liabilities	582,374	513,461
Less: Minority Interests	43,943	41,852
Net Assets	1,083,077	972,582
Share Capital	665,540	675,524
Reserves	417,537	297,058
Shareholders' Equity	1,083,077	972,582

GuocoLand Group

Financial Ratios

	As at or for the financial year ended 30 June	
	Audited	
	2006	2005
		(Restated)
Earnings per Share (cents) ⁽¹⁾	24.43	12.57
Gross ordinary dividend per Share (cents)	8.0	8.0
Net tangible assets per Share (S\$) ⁽²⁾	1.82	1.67
Gearing (times) ⁽³⁾	0.55	0.37
Interest cover (times) ⁽⁴⁾	8.25	9.18

Notes:

- (1) Earnings per Share is calculated by dividing the total net profit derived at after deducting provision for preference dividends by the total weighted average number of issued and paid-up Shares after adjusting for the Shares acquired by the trust constituted for the purpose of the ESOS.
- (2) Net tangible assets per Share is calculated by dividing the total net tangible assets after deducting preference shares by the total number of issued and paid-up Shares after adjusting for the Shares acquired by the trust constituted for the purpose of the ESOS.
- (3) Gearing is calculated by dividing the total loans and borrowings less cash and cash equivalents by the equity attributable to equity holders of the Issuer.
- (4) Interest cover is calculated using the following formula:

$$\frac{\text{Profit before taxation + finance costs + depreciation/amortisation}}{\text{finance costs}}$$

	As at or for the financial year ended 30 June	
	Audited	
	2005	2004
Earnings per Share (cents) ⁽¹⁾	11.54	19.95
Gross ordinary dividend per Share (cents)	8.0	8.0
Net tangible assets per Share (S\$) ⁽²⁾	1.67	1.44
Gearing (times) ⁽³⁾	0.37	0.74
Interest cover (times) ⁽⁴⁾	8.78	18.68

Notes:

- (1) Earnings per Share is calculated by dividing the total net profit derived at after deducting provision for preference dividends by the total weighted average number of issued and paid-up Shares after adjusting for the Shares acquired by the trust constituted for the purpose of the ESOS.
- (2) Net tangible assets per Share is calculated by dividing the total net tangible assets after deducting preference shares by the total number of issued and paid-up Shares after adjusting for the Shares acquired by the trust constituted for the purpose of the ESOS.
- (3) Gearing is calculated by dividing the total loans and borrowings after cash and cash equivalents by the equity attributable to equity holders of the Issuer.
- (4) Interest cover is calculated using the following formula:

$$\frac{\text{Profit before taxation + finance costs + depreciation/amortisation}}{\text{finance costs}}$$

Use of Proceeds

The net proceeds from the issue of the Bonds (after the deduction of fees, commissions and expenses) are expected to be approximately S\$683.23 million, which will be used for general working capital including funding of acquisitions in Singapore and China.

Information Concerning the Shares

Market Price of the Shares

The Shares have been listed on the SGX-ST since 14 November 1978. The table below sets forth, for the periods indicated, the high and low prices and the average daily trading volume of the Shares on the SGX-ST and the highs and lows of the Straits Times Index in FY2005, FY2006 and FY2007.

	Price per Share on the SGX-ST (in S\$) ⁽¹⁾		Average Daily Trading Volume of Shares ⁽¹⁾	Straits Times Index ⁽¹⁾	
	Low ⁽²⁾	High ⁽²⁾	No. of Shares	Low ⁽²⁾	High ⁽²⁾
FY2005					
First Quarter	1.08	1.20	369,938	1,839.33	2,003.99
Second Quarter	1.15	1.25	426,500	1,950.55	2,066.14
Third Quarter	1.20	1.28	173,183	2,065.71	2,184.29
Fourth Quarter	1.22	1.50	278,774	2,107.67	2,223.72
FY2006					
First Quarter	1.46	1.56	550,600	2,209.95	2,377.13
Second Quarter	1.48	1.63	730,048	2,192.41	2,355.02
Third Quarter	1.55	2.54	758,967	2,359.30	2,533.40
Fourth Quarter	2.30	2.56	415,403	2,280.67	2,659.65
FY2007					
First Quarter	2.14	2.42	1,036,078	2,320.20	2,568.86
Second Quarter	2.37	2.64	257,190	2,593.27	2,985.83
Third Quarter	2.53	4.20	364,885	2,961.15	3,310.44
April ⁽³⁾	4.20	5.45	1,406,800	3,246.31	3,422.62

Notes:

(1) Source: Reuters.

(2) Based on last closing price.

(3) Through to the Latest Practicable Date.

The Issuer presently has a share capital comprising 665,647,468 Shares. At present, the Issuer does not have approval from its shareholders to allow conversion of all the Bonds into Shares and the issue of the Conversion Shares (as defined in the Terms and Conditions) ("**GLL Special Mandate**"). The Issuer has undertaken to the Bookrunner to convene an extraordinary general meeting of its shareholders to obtain the GLL Special Mandate and to take all steps as may be necessary in this regard by no later than 1 August 2007. Further, Guoco Group Limited has undertaken to the Bookrunner that it will vote, in respect of at least a majority shareholding in the Issuer, in favour of the resolutions to be submitted at the extraordinary general meeting of shareholders of the Issuer to be convened in respect of the GLL Special Mandate which is necessary to ensure that upon the exercise of the Conversion Rights, all the Bonds can be converted into Shares. However the Issuer cannot assure you that its shareholders will vote in favour of such resolutions. If the shareholders do not vote in favour of such resolutions, you will not be able to convert your Bonds into Shares. The Bonds will be mandatorily redeemed under the Terms and Conditions of the Bonds if any of the Relevant Approvals are not obtained by 1 August 2007.

Dividend Track Record

The Issuer has distributed cash dividends on its Shares in respect of the financial years ended 30 June 2004, 2005 and 2006. For the financial year ended 30 June 2006, the directors have declared and paid a final one-tier tax exempt dividend of 8 cents per share amounting to S\$48.8 million. This dividend paid was accounted for in the shareholders' equity as an appropriation in the financial year ending 30 June 2007. The following table sets forth the aggregate number of Shares entitled to dividends, as well as the cash dividends paid on the Shares during each of the financial years indicated.

Financial year ended	Payment Date	No. of Shares ⁽¹⁾	Dividend per Share	Tax Rate	Net Dividend Paid ⁽²⁾
		'000			S\$'000
30 June 2004	1 December 2004	665,539	8 cents	20 per cent.	42,595
30 June 2005	1 December 2005	665,569	8 cents	20 per cent.	40,948
30 June 2006	27 November 2006	665,647	8 cents	One-tier tax exempt	48,813

Notes:

- (1) As at the relevant books closure date.
- (2) Represents the net amount of dividends paid by the Issuer (that is, the cash amount of the dividend received by the shareholders) excluding the amount of dividends paid to the trust constituted for the purposes of the ESOS. See "Taxation – Taxation of the Shares".

The form, frequency and amount of future dividends on the Shares will depend upon the Issuer's earnings, cash flow, financial condition and other factors and shall be at the discretion of the Directors.

No larger dividend shall be declared by the Issuer than is recommended by the Directors. The Directors may pay an interim dividend. No dividend may be paid except out of the profits of the Issuer. See "Description of the Shares – Dividends".

For information relating to taxes payable on dividends, see "Taxation – Taxation of the Shares".

Changes in Issued Share Capital

The issued share capital of the Issuer as at the Latest Practicable Date comprises 665,647,468 Shares.

On 19 April 2007, the Issuer announced a proposed renounceable rights issue of 221,882,489 new Shares in the capital of the Issuer (the "**Rights Shares**") at an issue price of S\$2.50 for each Rights Share, on the basis of one (1) Rights Share for every three (3) existing Shares in the capital of the Issuer held as at a books closure date to be determined by the Directors, fractional entitlements to be disregarded (the "**Rights Issue**").

Employee Share Option Schemes

The Issuer has in place the GuocoLand Limited Executives' Share Option Scheme ("**ESOS**") for the granting of share options to selected confirmed employees of the Group and executive Directors of the Issuer. The exercise of such options may be subject to certain financial and performance targets being met by such employees. The ESOS provides an opportunity for such persons who have contributed to the growth and development of the Group to participate in the equity of the Issuer.

In October 2004, the Issuer's shareholders approved modifications to the ESOS to, *inter alia*, alter the structure of the ESOS to allow the exercise of share options to be satisfied over newly issued Shares or the transfer of existing Shares, or a combination of both new Shares and existing Shares. In this connection, a trust was constituted for the purpose of the ESOS to acquire issued Shares from the market for the purpose of satisfying the exercise of share options granted under the ESOS.

As at the Latest Practicable Date, there are existing share options in respect of up to 40,250,000 Shares granted pursuant to the ESOS.

Capitalisation and Indebtedness

The table below sets forth the Group's capitalisation and indebtedness as at 30 June 2006 and as adjusted to account for the issue of the Bonds, after deducting the commissions and estimated offering expenses payable by the Issuer. This table should be read in conjunction with the consolidated financial statements and related notes incorporated by reference in this Offering Circular.

	Group	
	As at 30 June 2006	
	Audited	As adjusted
	S\$'000	S\$'000
Short-Term Loans and Borrowings		
(repayable within 1 year)		
Bank overdrafts, short-term bank loans and notes and current portion of long-term bank loans and notes	371,007	371,007
Long-Term Loans and Borrowings		
(repayable after 1 year)		
Long-term bank loans	581,526	581,526
Medium-term notes	205,000	205,000
The Bonds now being offered	–	621,456 ⁽¹⁾
Total long-term loans and borrowings	786,526	1,407,982
Total Loans and Borrowings	1,157,533	1,778,989
Total Capitalisation		
Issued and fully paid up capital – 665,647,468 shares	839,716	839,716
Reserves	284,949	335,234
Equity attributable to Equity Holders of the Issuer	1,124,665	1,174,950
Total Capitalisation and Indebtedness	2,282,198	2,953,939

Note:

- (1) In accordance with FRS 32 Financial Instruments: Disclosure and Presentation, the proceeds from the issue of the Bonds are accounted for by allocating them separately between long-term debt and the value of the conversion right to holders of the Bonds, which is recorded as capital reserve and a discount on the Bonds.

Risk Factors

An investment in the Bonds involves a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, could be substantial and are inherent in the Group's business.

You should evaluate carefully each of the following considerations and all of the other information set forth in this Offering Circular (including the financial statements and the notes thereto) before deciding to invest in the Bonds. Some of the following considerations relate principally to the industry in which the Issuer or the Group operates and its business in general. Other considerations relate principally to general economic, political and regulatory conditions, the securities markets and ownership of the Bonds, including possible future dilution in value of the Bonds. The risks described below are not the only ones relevant to the Issuer, the Group, the Bonds or the Shares. Additional risks not presently known to the Issuer or that it currently deems immaterial may also impair the Group's business operations. The Group's businesses, financial condition or results of operations could be materially adversely affected by any of these risks, which may, as a result, affect the Issuer's ability to repay the principal of the Bonds.

This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Offering Circular.

Risks Associated with the Group's Business

Economic and social conditions in the countries where the Group operates may affect the Group's business and performance

The economies in the countries where the Group operates differ from the economies of most developed countries in many respects, including:

- government policies;
- economic growth;
- foreign exchange and regulatory controls;
- changes in laws.

While many of these economies have experienced significant economic growth, the governments of such countries may implement measures which benefit the overall economy but may impact the Group's operations or performance. For example, the Group may be affected by government control over capital investments or changes in tax regulations that may be applicable to it or regulatory changes affecting the real estate industry.

The Group may also be adversely affected by exchange controls, changes in taxation law, changes in foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities of the countries in which the Group operates.

The Group's business is primarily concentrated in its core markets of Singapore, China and Malaysia

The Group's business activities are primarily concentrated in its core markets of Singapore, China and Malaysia. As a result, the Group's revenue, performance and future growth depend, to a large extent, on the continued growth of the markets in these countries. Due to the effect that economic conditions in these markets have on the Group's business, factors which may materially and adversely affect the economies of these countries could adversely affect the Group's performance and future growth.

The Group's earnings are affected by general economic and business conditions in Singapore

As at 31 March 2007, approximately 50 per cent. of the Group's total assets were located in Singapore. Historically, property values in Singapore have experienced cyclical patterns in which periods of price increase were followed by periods of stagnating or declining prices. A substantial portion of the Group's earnings depends on continued strength in the residential property market in Singapore, which in turn are affected by general economic and business conditions.

Although current property sentiments seem buoyant, the Group may be required to make provisions in its accounts should there be an unexpected economic downturn. In addition, in the event new supply exceeds demand as a result of economic uncertainty, slower growth, increased interest rates (which reduce the ability of the Group's customers to finance real estate purchases and increase the Group's costs of financing) or otherwise, the financial condition and performance of the Group could be adversely affected.

The Group's property development business may be subject to risks in investing outside Singapore

The Group's property operations in China, Malaysia, Vietnam and/or other new geographical markets where there is potential for growth, which could expose it to political, economic, regulatory and social risks and uncertainties specific to those countries. These investments may also be adversely affected by a number of local real estate market conditions in these countries, such as oversupply, the performance of other competing properties or reduced demand for these properties. Any changes in the political environment and the policies by the governments of these countries, which include, *inter alia*, restrictions on foreign currency conversion or remittance of earnings, the requirement for approval by government authorities, changes in law, regulations and interpretation thereof and changes in taxation could adversely affect the Group's future results and investments, which may also be exposed to currency fluctuations when they are converted to Singapore dollars. Such unfavourable events in such foreign countries will have an adverse impact on the Group's distributable income and asset value.

The Group has a significant and growing business in China

The Group has a significant and growing business in China through its wholly-owned subsidiaries and joint ventures with local partners. Any regulatory and policy changes by the Chinese government which may be unfavourable to the Group could adversely affect the Group's future results and investments. In addition, these investments may be adversely affected by a number of local real estate market conditions such as oversupply, reduced demand for these properties and increased competition from foreign and local competitors. Investments in China that involve local partners may also involve specific risks or problems associated with joint venture partners, including, among other things, conflicts of business interests.

The Group faces market risks pertaining to supply and demand

The Group expects the residential real estate market in Singapore to remain highly competitive, particularly with regard to supply and pricing. Oversupply of developed properties could cause downward pressure on property sale prices. Consequently, while the Group continues to selectively accumulate landbank for development of residential properties, there can be no assurance that the Group will be able to sell the developed properties at a profitable price. To the extent that the Group is unable to develop its landbank and sell the developed properties at acceptable prices, the Group's financial condition and performance would be adversely affected.

The Group faces increasing competition in its key markets

The Group's real estate business competes with both domestic and international companies with respect to factors such as location, pricing, concept and design. Intensified competition between real estate developers may result in increased costs for land acquisition, lower profit margins and a slowdown in the approval process for new property developments by the relevant government authorities all of which may adversely affect the Group's property development business. Domestic companies in the overseas markets have extensive knowledge of the local real estate market and a longer operational track record in their respective domestic markets. International companies are able

to capitalise on their overseas experience and greater financial resources to compete in the markets in which the Group has an overseas presence. As a result, there can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to the Group's activities may not have a material adverse effect on the business and financial condition.

The Group's business is subject to external factors in foreign countries

The Group has development projects in countries where the projects are dependent on obtaining approvals from various governmental authorities at different levels, the granting of these approvals cannot be assured. These development projects have been, and may in the future be, subject to certain risks, including the cyclical nature of real estate markets, changes in governmental regulations and economic policies, including, among other things, regulations and policies restricting the construction of properties and buildings and related limitations on extensions of credit, building material shortages, increases in labour and material costs, changes in general economic and credit conditions and the illiquidity of land and other property. There can be no assurance that required approvals will be obtained or that the cost of the Group's developments will not exceed projected costs.

Although the Group generally seeks to maintain a sufficient level of control over its projects through ownership of a controlling interest and/or management in order to impose established financial, management and supervisory controls, property investment and development in these countries may often involve the participation of local partners in these countries and joint ventures in these countries may involve specific risks or problems associated with joint venture partners, including, among other things, inconsistent business interests or one or more of the partners experiencing financial difficulties.

Certain construction risks may arise during the building of any new property

Construction of new developments entails significant risks, including shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interference, floods and unforeseen cost increases, any of which could give rise to delayed completions or cost overruns. Difficulties in obtaining any requisite licences, permits, allocations or authorisations from regulatory authorities could also increase the cost, or delay the construction, launch or completion of, new developments. All of these factors may affect the Group's businesses, financial condition and results of operations.

The Group relies on contractors to provide various services

The Group engages third-party contractors to provide various services in connection with its residential and commercial developments, including construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air-conditioning units and lifts, and gardening and landscaping works. The Group is exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and the Group may have to bear such additional amounts in order to provide the contractor with sufficient incentives to complete the project.

Furthermore, there is a risk that major contractors may experience financial or other difficulties (including shortage of building materials) which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to the Group. There can also be no assurance that the services rendered by the third-party contractors will always be satisfactory or match the Group's targeted quality levels. All of these factors could adversely affect the Group's business, financial condition and results of operations and hence, the Group's reputation.

The Group could incur significant costs related to environmental matters

The Group may be subject to various laws and regulations in the countries where the Group operates relating to protection of the environment that may require a current or previous owner of real estate to investigate and clean up hazardous or toxic substances at a property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial.

Environmental laws may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous materials and other regulated substances. Failure to comply with these laws can result in penalties or other sanctions. Existing environmental reports with respect to any of the Group's properties may not reveal (i) all environmental liabilities, (ii) that prior owners or operators of the properties did not create any material environmental condition not known to the Group or (iii) that a material environmental condition does not otherwise exist in any one or more of the properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Finally, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability. The Group may be subject to liabilities or penalties relating to environmental matters which could adversely affect the Group's business, financial condition and results of operations.

The Group's success in the future may depend, in part, on the successful implementation of its strategy

The Group anticipates its future growth will come partly from the expansion of its operations outside Singapore. The Group's overseas projects are located in developing countries. Overseas expansion may also include entering into new markets. As a participant in such markets, the Group's business is subject to various risks beyond its control, such as instability of foreign economies and governments and changes in laws and policies in overseas countries affecting trade and investment, and the ability to identify and acquire attractive sites in the future at commercially acceptable prices, or at all. The events arising from such risks could potentially affect the Group's overseas business in the future. The Group's ability to further expand its regional operations successfully depends on its ability to successfully identify suitable opportunities for investment or acquisition and reach agreement with potential partners on satisfactory commercial terms. There can be no assurance that such opportunities or agreements can be established or that any of the Group's proposed acquisitions or agreements will be completed on the commercial terms contemplated or at all.

The performance of the Group may be affected by the Group's ability to attract and retain employees

Future performance of the Group depends largely on the Group's ability to attract, train, retain and motivate high quality personnel, especially for its management and technical teams. The loss of key employees may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group includes a holding company structure

Virtually all of the Issuer's assets are shareholdings in its subsidiaries and associated companies. In order to satisfy its payment obligations, including obligations under the Bonds, the Issuer will rely on dividends and other payments received from its subsidiaries and associated companies. Both the timing and ability of certain subsidiaries and associated companies to pay dividends is limited by applicable laws including but not limited to exchange controls, tax and conditions contained in certain of their joint venture agreements.

Interested Person Transactions

The Group has ongoing contractual arrangements with companies within the Guoco Group and Hong Leong Group Malaysia in the ordinary course of business. See "Substantial Shareholder – Interested Person Transactions". Transactions with interested persons may give rise to conflicts of interest, which could lead to transactions being entered into and decisions made which are based on factors other than commercial factors. The Issuer has adequately established procedures with the objective of ensuring that interested person transactions are undertaken on normal commercial terms, and are not prejudicial to the interests of the Group and its minority shareholders. Where applicable, the Audit Committee of the Issuer notes or reviews interested person transactions entered into by the Group in accordance with these procedures.

Indebtedness of the Group

As at 31 March 2007, the Group had approximately S\$1.3 billion of total indebtedness, including approximately S\$85.5 million which is repayable in one year or less. While the Group had unutilised

facilities and funds available for use, there can be no assurance that the Group will be able to refinance its indebtedness as it becomes due on commercially reasonable terms or at all. The Group may be required to meet its funding needs by procuring financing on terms which restrict it in certain ways, including by limiting its ability to pay dividends or requiring it to procure consents before it can pay dividends to holders of Shares. Additionally, the Group's significant level of indebtedness means that a material portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Group for use in its general business operations. The Group's significant level of indebtedness may also restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn.

The Group may experience limited availability of funds

The Group may require additional financing to fund working capital requirements, land acquisitions and property developments, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group or that any additional financing will not be dilutive to its shareholders.

The Group's ability to arrange adequate financing on terms that will allow it a commercially acceptable return depends on a number of factors that are beyond its control, including general economic conditions, government policies and changes in laws and regulations which may affect the terms on which financial institutions are willing to extend credit to it and the availability of other sources of debt or equity financing. These policy initiatives may limit its flexibility and ability to use bank loans to finance or refinance its property developments and therefore, it may need to maintain a relatively high level of internally sourced cash.

Other factors that could affect the Group's ability to procure financing include the cyclical nature of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. In addition, further consolidation in the banking industry in Singapore and/or elsewhere in the countries where the Group operates may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector.

The Group is subject to interest rate fluctuations

The Group faces risks in relation to interest rate movements, particularly as a result of debt undertaken to finance its developments. As at 31 March 2007, the Group had consolidated debt of approximately S\$1.3 billion. Approximately 23 per cent. of the debt bears fixed interest rates and the balance bears floating interest rates. Consequently, the interest cost to the Group for the floating interest rate debt will be subject to fluctuations in interest rates. This could in turn have a material and adverse effect on the Group's results of operations. The Group may enter into some hedging transactions to partially mitigate the risk of interest rate fluctuations. However, its hedging policy may not adequately cover the Group's exposure to interest rate fluctuations. As a result, its operations or financial condition could potentially be adversely affected by interest rate fluctuations.

The Group is subject to exchange rate fluctuations

The Group's revenue, costs and capital expenditure are mainly denominated in Singapore dollars, US dollars, Malaysian ringgit and Chinese renminbi. Consequently, portions of the Group's costs and its margins are affected by fluctuations in the exchange rates of the above-mentioned currencies. Although the Group engages in certain hedging activities to mitigate currency exchange rate exposure, the impact of future exchange rate fluctuations among the US dollar, the Singapore dollar and other currencies on the Group's cost of sales and margins cannot be accurately predicted. Some of the currencies may not be convertible or exchangeable or may be subject to exchange controls. The reporting currency for the Group is Singapore dollars. Exchange rate fluctuations will arise when the assets and liabilities in foreign currencies are translated into Singapore dollars for financial reporting purposes. If the foreign currencies depreciate against the Singapore dollar, this may adversely affect the consolidated financial statements of the Group.

The Group is subject to changes in commodity prices

The Group faces risks in relation to changes in commodity prices due to the consumption of large quantities of building materials, including raw iron, steel, sand, granite and concrete, in its property development operations. As a property developer, in general, the Group enters into fixed or guaranteed maximum price construction contracts with independent construction companies, each of which concerns 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. In accordance with industry practice, the Group or its contractors may amend existing construction contracts, including fixed or maximum price terms, to take into account significant price movements of construction materials. Therefore, should the price of building materials increase significantly prior to the Group entering into a fixed or guaranteed maximum price construction contract, or should its existing contractors fail to perform under their contracts, the Group may be required to pay more to existing or prospective contractors, which could materially and adversely affect the Group's results of operations and financial condition.

The Group is subject to government regulations and approvals in the countries where it operates

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

For example, relevant statutory bodies in Singapore are involved in the development, construction and sale of residential and commercial properties. Such sales could compete with the Group's sales and such competition could have an adverse effect on the Group's business. The Singapore Government has sought to regulate or reduce property speculation through measures such as the adoption and enforcement of regulations and the imposition of credit controls, taxes and fees, which could reduce property sales and affect property values.

Further, in relation to the PRC, in accordance with the Regulations on Administration of Urban Real Estate Development, property developers in the PRC are required to have a qualification certificate to undertake property development. Annual renewal of a qualification certificate is subject to review. Developers are permitted to obtain at least a temporary qualification certificate to undertake property development. A temporary qualification certificate is renewable annually for up to two years with an additional grace period of one year, beyond which a developer must meet certain conditions to upgrade its qualification certificate. The property developer's registered capital, property development investments, history of property development, quality of property construction, expertise of the management or any illegalities on the part of the developer will be taken into account by the local authorities in deciding whether to renew or upgrade a qualification certificate. If the Group fails to obtain or renew the requisite qualification certificates or pass the annual examination, or rectify any default, the Group's business operations will be adversely affected.

In addition, in order to develop and complete a PRC property development, a property developer must obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including land use rights certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions. Problems may be encountered in obtaining such government approvals or in fulfilling the conditions required for obtaining the approvals especially as new laws, regulations or policies may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of approvals. If the Group fails to obtain relevant approvals or fulfill the conditions of those approvals for a significant number of its property developments, these developments may not proceed on schedule, and its business, financial condition and results of operations may be adversely affected.

The Group's property investments are relatively illiquid

Certain of the Group's real estate investments, particularly investments in high value properties are relatively illiquid. Such illiquidity limits the ability of an owner or a developer to convert real estate

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

The Group is dependent on the quality of its title to properties in the landbank of the Group

Due to the laws in some of the countries where the Group operates and the lack of a uniform title system in such countries, there is potential for disputes over the quality of title and/or quality of the assets purchased from previous landowners/owners. Delays in acquiring properties required for the Group's development activities could negatively affect the Group's businesses, financial condition and results of operations. The Group's acquisition of properties and/or assets is dependent on the due diligence as to, *inter alia*, title, which in turn is dependent on the quality of professional advice and the availability of reliable, accurate, complete and up-to-date information in the relevant countries.

The Group may suffer an uninsured loss

The Group maintains insurance policies covering both its assets and employees in line with general business practices in the countries in which the Group operates in the real estate and hospitality industries, with policy specifications and insured limits which the Group believes are adequate. Risks insured against include fire, business interruption, lightning, flooding, theft, vandalism and public liability. There are, however, certain types of losses (such as from wars, acts of terrorism or acts of God) that generally are not insured because they are either uninsurable or not economically insurable. 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 property, as well as anticipated future revenue from that property. The Group would also remain liable for any debt that is with recourse to the Group and may remain liable for any mortgage indebtedness or other financial obligations related to the relevant property. Any such loss could adversely affect the results of operations and financial condition of the Group. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms or at commercially reasonable rates.

Some or all of the Group's existing and planned projects may not be completed

The Group's success and financial performance will depend on the ability of the Group to identify, develop, market and sell its developments in a timely and cost effective manner. The Group's development activities are subject to the risk of changes in regulations, delays in obtaining required approvals, availability of raw materials, increases in construction costs, natural disasters, any reliance on third party contractors as well as the risk of decreased market demand during the development of a project. As a result of these and other factors described herein, no assurance can be given as to whether or when existing and planned projects will be successfully completed. Although the Group plans to apply many of the same development and marketing strategies that it has employed in the past, new projects may pose unforeseen challenges and demands on the Group's managerial and financial resources. Non-completion of such developments, or any of the Group's other developments, may have a material and adverse effect on the Group's business, financial condition and results of operations.

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

In the event the Group pre-sells any properties prior to completion of construction, it may be liable for potential losses that purchasers may suffer if there is a failure of delay in the delivery of such pre-sold properties. Failure to complete a property development on time may be attributed to factors such as the time taken and the costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approvals from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents and changes in government priorities and policies. If the delay in delivery extends beyond the contractually specified period, the purchasers

may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and compensation for late delivery. There is no assurance that the Group will not experience significant delays in completion or delivery.

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

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

The Group is exposed to fluctuations in the residential and commercial property markets

The real estate development industry in Singapore and the other countries in which the Group operates is cyclical and is significantly affected by changes in general and local economic conditions, including employment levels, availability of financing, interest rates, consumer confidence and demand for developed residential and commercial properties. The process of development of a project begins, and financial and other resources are committed, before a real estate project comes to market, which could occur at a time when the real estate market is depressed. Such a depression in the real estate market could affect the Group's business, financial condition and results of operations.

The Group's property development business requires substantial capital investments and may require the Group to seek external financing which may not be available on terms favourable to the Group or at all

Pre-sales of the Group's development properties may reduce the Group's need to seek external financing, as the Group receives payments in advance from purchasers of its development properties. However, there can be no assurance such pre-sales will be sufficient to cover all of the anticipated financing needs of the Group. The Group's property development business may be required to seek external financing to fund working capital or capital expenditure to support the growth of its businesses. The Group's ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, success of the Group's businesses, tax and securities laws that may be applicable to the Group's efforts to raise capital, any restrictions imposed by various banking institutions on providing financing to companies operating in the property sector in countries where the Group operates and political and economic conditions. There can be no assurance that additional financing, either on a short-term or a long-term basis, would be available or, if available, that such financing would be obtained on terms favourable to the Group.

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

The Group has, and expects in the future to have, interests in joint venture entities in connection with its property development plans. There may be disagreements between the Group and its joint venture partners regarding the business and operations of the joint ventures which may not be resolved amicably. In addition, the Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with that of the Group; (ii) take actions contrary to the Group's instructions, requests, policies or objectives; (iii) be unable or unwilling to fulfill their obligations; (iv) have financial difficulties; or (v) have disputes with the Group as to the scope of their responsibilities and obligations. Any of these and other factors may materially and adversely affect the performance of the Group's joint ventures, which may in turn materially and adversely affect the Group's financial condition and results of operations.

Additional Risks Relating to Our Business in the PRC

The land use rights for some of the Group's development sites will not be formally vested until the Group has received the relevant land use right certificates

Under current PRC land grant policies, the relevant authorities will not issue the formal land use right certificate for a piece of land until the developer has paid the land premium in full, the resettlement

process (if any) has been completed and the developer has complied with other land grant conditions. As such, the land use rights for some of the Group's development sites will not be formally vested until the Group has received the relevant land use right certificates. Delay in the resettlement process may affect the issuance of the formal land use right certificates in respect of the Group's development sites. Under current land grant policies, the Group is allowed to begin developing these properties as it has signed the land grant contracts or registered the land use rights transfer agreements, as the case may be, with the relevant authorities. However, the land use rights for these properties and the land that it may acquire in the future will not be formally vested in it until it has received the corresponding formal land use right certificates. Furthermore, any delay in the authorities' issuance of the formal land use right certificates may materially and adversely affect the Group's operations, including its ability to deliver properties to its customers in a timely manner.

The Group may provide guarantees for the mortgage loans granted to buyers of its residential developments

The PRC project companies undertaking the Group's development projects in China may provide guarantees for mortgage loans granted to buyers of its residential developments in line with industry practice. Such guarantees for end purchasers' financing may be extended on a case by case basis in respect of each of the Group's residential developments in China subject to the prior approval of the board of directors of GLC and its PRC project company. Whilst GLC seeks to limit the liability of its PRC project company under such guarantees to circumstances where a buyer's default of the mortgage loan is caused by the default of the PRC project company, for example, if the PRC project company fails to obtain the temporary occupation permit within the deadline stipulated in the Pre-Sale Agreement, such pre-conditions may not be imposed in the guarantees which may be provided by its PRC project companies to enable buyers of their respective residential developments to procure mortgage loans to finance their purchases. If there should be substantial defaults on the buyers' mortgage loans during the period of the guarantee and such properties cannot be resold above the loan amounts repaid, the Group's financial condition and results of operations may be affected.

The PRC property sector is susceptible to the economic policies of the PRC government

The PRC government has exercised and continues to exercise significant influence over the PRC's economy in general, which, among others, affects the property sector in the PRC. From time to time, the PRC government adjusts its monetary and economic policies to prevent and curtail the overheating of the national and provincial economies, which may affect the real estate markets that the Group operates in. Any action by the PRC government concerning the economy or the real estate sector (including measures to cool the fast-growing economy, to curb property speculation and/or to restrict foreign investment in real estate) in particular could have a material adverse effect on the Group's financial condition and results of operations.

The Group faces increasing competition in the PRC that could adversely affect its business and financial position

There are many Chinese property developers in the market and in recent years, a number of them have been successful in turning into heavy-weight developers with strong financial resources, huge landbank, and a reputation for quality developments. In addition, a number of international developers have expanded their operations into China, including a number of leading Hong Kong and Singapore real estate development and investment groups. Many of these developers have significant financial, managerial, marketing and other resources, as well as experience in property and land development. Competition between property developers is intense and may result in, among other things, increased costs for the acquisition of land for development, oversupply of properties in certain parts of China, a decrease in property prices, a slow down in the rate at which new property developments will be approved and/or reviewed by the relevant government authorities, an increase in construction costs and difficulty in obtaining high quality contractors and qualified employees. Any such consequences may adversely affect the Group's business, results of operations and financial position. In addition, the real estate market in China is rapidly changing. If the Group cannot respond to changes in market conditions more swiftly or effectively than its competitors do, its ability to generate revenue, its financial condition and results of operations will be adversely affected.

There is a lack of reliable and updated information on property market conditions in the provinces where the Group's property developments are located and in the PRC generally

The Group is subject to property market conditions in the PRC generally and in particular, the municipal cities where the Group's property developments are located. Currently, reliable and up-to-date information is not generally available in the PRC and in the relevant municipal cities on the amount and nature of property development and investment activities, the demand for such development, the supply of new properties being developed or the availability of land and buildings suitable for development and investment. Consequently, the Group's investment and business decisions may not always have been, and may not be in the future, based on accurate, complete and timely information. Inaccurate information may adversely affect its business decisions, which could materially and adversely affect its results of operations and financial condition. Adverse changes in market conditions, particularly the financial markets in the PRC may also adversely affect the Group's business and results of operations.

The Group may be required to forfeit its land use rights to the PRC government if it fails to comply with the terms of the land grant contracts

Under PRC laws, if a developer fails to comply with or develop land according to the terms of the land grant contract (including those relating to payment of fees, land use or the schedule for commencement and completion of the development of the land), the relevant government authority may give a warning to or impose a penalty on the developer or require forfeiture of the land use rights granted to the developer. There can be no assurance that circumstances leading to a possible breach of terms of the land grant contract (for example, a delay in the payment of the land grant fees or delay in the commencement of the development of the land for more than two years from the stipulated date of commencement in the land grant contract) will not arise or forfeiture action will not be taken by the relevant authorities in the future. Therefore, if the Group is affected by circumstances which would cause it to breach the terms of the land grant contract and lead to its land use rights being subject to forfeiture by the government, its business and results of operations will be adversely affected.

Interpretation of PRC laws and regulations involves uncertainty

The Group's operations in the PRC are subject to the laws and regulations promulgated by the PRC government. The PRC legal system is a codified legal system made up of the PRC constitution, written laws, regulations, circulars, directives and other government orders. The PRC government is still in the process of developing its legal system so as to meet the needs of investors. Generally, the PRC economy is developing at a faster pace than its legal system. Therefore, some degree of uncertainty exists in connection with whether existing laws and regulations will apply to certain events or circumstances, and if so, the manner of such application. In particular, unlike common law jurisdictions like Singapore, decided cases do not form part of the legal structure of the PRC and thus have no binding effect. The administration of the PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to more developed jurisdictions. In addition, it may be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of judgments by a court of another jurisdiction.

Furthermore, in line with its transformation from a centrally planned economy to a free market oriented economy, the PRC government is still in the process of developing a comprehensive set of laws and regulations. As the legal system in the PRC is still evolving, laws and regulations or the interpretation of the same may be subject to change.

There is foreign exchange control in the PRC

The Group's PRC subsidiaries are subject to the relevant PRC rules and regulations on currency conversion. In the PRC, SAFE regulates the conversion of Renminbi into foreign currencies. Currently, foreign invested enterprises ("FIEs") are required to apply to SAFE for "Foreign Exchange Registration Certificates for FIEs". With such registration certifications, FIEs are allowed to open foreign currency accounts including the "basic account" and "capital account". Currently, conversion within the scope of the "basic account" for purposes such as the remittance of foreign currencies for payment of dividends, can be effected without the approval of SAFE. However, the conversion of currency in the "capital account" for capital items such as direct investments, loans and securities, still requires the approval of SAFE.

The Group's PRC subsidiaries are FIEs and the ability of its PRC subsidiaries to pay dividends or make other distributions to it may be restricted by, among other things, the availability of funds, and statutory and other legal restrictions including PRC foreign exchange control restrictions. In the event the ability of the Group's subsidiaries to distribute funds to it is restricted, it may have an adverse effect on the Group's ability to distribute dividends to its shareholders in the future.

Risks Relating to an Investment in the Bonds and the Shares

The Bonds and the Conversion Shares may not be listed

In the event that permission is not granted by the SGX-ST for the listing of and quotation for the Bonds and the Conversion Shares for any reason, Bondholders will not be able to trade the Bonds and the Conversion Shares on the SGX-ST.

Securities law restrictions on the resale and conversion of the Bonds and the resale of Shares issuable upon their conversion may affect Bondholders' ability to sell the Bonds

The Bonds and the Shares into which the Bonds are convertible have not been registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Bonds and the Shares issuable upon conversion may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Bonds are being offered and sold only to non-US persons outside the US in reliance on Regulation S under the Securities Act. The Issuer is not required to register the Bonds and the Shares into which the Bonds are convertible under the terms of the Bonds. Hence, future resales of the Bonds and the Shares into which the Bonds are convertible may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

Presently, we do not have approval from our shareholders to allow conversion of the Bonds into Shares and the issue of the Conversion Shares

We presently have a share capital comprising 665,647,468 Shares. At present, we do not have approval from our Shareholders to allow conversion of all the Bonds into Shares and the issue of the Conversion Shares (as defined in the Terms and Conditions) ("**GLL Special Mandate**"). Further, GGL has undertaken to the Bookrunner that it will vote, in respect of at least a majority shareholding in the Issuer, in favour of the resolutions to be submitted at the extraordinary general meeting of shareholders to be convened in respect of the GLL Special Mandate which is necessary to ensure that upon the exercise of the Conversion Rights, all the Bonds can be converted into Shares. However, we cannot assure you that our shareholders will vote in favour of such resolutions or that we will obtain regulatory clearance of the circular to be issued by the Issuer in relation to such resolutions. If our shareholders do not vote in favour of such resolutions, you will not be able to convert your Bonds into Shares. The Bonds will be mandatorily redeemed under the Terms and Conditions of the Bonds if we do not obtain any of the Relevant Approvals by 1 August 2007.

The Issuer may be unable to redeem the Bonds at maturity

In certain circumstances, such as (i) a Change of Control (as defined in the Terms and Conditions) of the Issuer, (ii) a delisting of the Shares from the SGX-ST or (iii) on maturity, the holders of the Bonds may require the Issuer to redeem all of the holders' Bonds. Upon occurrence of such an event, or at maturity of the Bonds, no assurance can be given that the Issuer will have enough funds or would be able to arrange financing to pay the redemption amount for all tendered Bonds. The Issuer's ability to redeem the Bonds in such an event may be limited by law or the terms of other debt instruments. The Issuer may be required to refinance its debt in order to make such payments.

The Issuer has, and may in future have, credit agreements or other agreements relating to its indebtedness that contain provisions that provide that a change in control constitutes an event of default or accelerates its payment obligations under that agreement. If such an event were to occur, no assurance can be given that the Issuer will have sufficient funds to or be able to raise sufficient financing to meet its payment obligations under those agreements.

Holders of the bonds may be subject to Singapore estate duty

Prospective purchasers of Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition (including, in the case of convertible

notes, on conversion thereof) of the Bonds or the Shares. Certain differences exist between the tax laws of Singapore and those of other jurisdictions, including in the area of estate duty. Under Singapore laws, estate duty is imposed on the value of immovable property situated in Singapore and movable property, wherever it may be situated, passing on the death of an individual domiciled in Singapore. Interests in the Bonds and the Shares may be regarded as property situated in Singapore. Accordingly, the Bonds or Shares passing upon the death of an individual domiciled in Singapore are subject to Singapore estate duty upon such individual's death. Estate duty, however, is not imposed on movable properties in Singapore passing on the death on or after 1 January 2002, of persons who are not domiciled in Singapore. See "Taxation".

The trading price of the Shares has been, and may continue to be, volatile

The trading price of the Shares may be subject to fluctuations. The price of the Shares may increase or decrease in response to a number of events and factors, including:

- quarterly variations in operating results;
- changes in financial estimates and recommendations by securities analysts;
- the operating and stock price performance of other countries in the real estate industry;
- developments affecting the Group, its customers or its competitors;
- changes in government regulations;
- changes in general economic conditions;
- changes in accounting policies; and
- other events or factors described in this Offering Circular.

This volatility may adversely affect the price of the Shares regardless of the Group's operating performance.

The Singapore Code on Take-overs and Mergers may discourage or prevent certain types of transactions

As long as the Shares of the Issuer are listed on the SGX-ST, certain provisions of the SFA and the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") shall apply to all take-over offers for the Issuer. See "Description of Shares – Take-overs".

The SFA and the Take-over Code, contains certain provisions that may delay, deter or prevent a future take-over or change in control of the Issuer. Any person acquiring an interest (either on his or her own or together with parties acting in concert with him or her) in 30 per cent. or more of the Issuer's voting shares must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Take-over Code. A take-over offer may also be required to be made by a person holding (either on his or her own or together with parties acting in concert with him or her) between 30 per cent. or 50 per cent. (both inclusive) of the Issuer's voting shares after having acquired additional voting shares representing more than 1 per cent. of the Issuer's voting shares in any six-month period. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of the Issuer. Some of the holders of the Shares may, therefore, be disadvantaged as a transaction of that kind might have allowed the sale of Shares at a price above the prevailing market price. See "Description of Shares – Take-overs".

The Singapore securities market is relatively small

The SGX-ST is relatively small in terms of market capitalisation and trading volume and may be more volatile than stock exchanges in the United States and certain other countries. As at 31 March 2007, there were 547 companies listed on the Main Board of the SGX-ST and the aggregate market capitalisation of listed equity securities of these companies was approximately S\$650 billion. As a result, the market price of the Issuer's Shares may fluctuate more than that of securities listed on larger global stock exchanges.

An active trading market for the Bonds may not develop

The Bonds are a new issue of securities for which there is currently no trading market. Application has been made for the listing of the Bonds on the SGX-ST. No assurance can be given that an active trading market for the Bonds will develop on the SGX-ST or as to the liquidity or sustainability of any such market, the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds. The Bookrunner and the Joint Lead Managers are not obliged to make a market in the Bonds and any such market making, if commenced, may be discontinued at any time at the sole discretion of the Bookrunner.

Conversion of the Bonds will dilute the ownership interest of existing shareholders and could adversely affect the market price of the Shares

The conversion of some or all of the Bonds will dilute the ownership interests of existing shareholders. Any sales in the public market of the Shares issuable upon such conversion could adversely affect prevailing market prices for the Shares. In addition, the conversion of the Bonds may encourage short selling of the Shares by market participants.

Future issues, offers or sales of Shares may adversely affect the value of the Bonds

The market price of the Bonds is expected to be affected, among other things, by fluctuations in the market price of the Shares. The future issue of Shares by the Issuer, including the issue of Shares pursuant to the Rights Issue, or the disposal of Shares by any of the substantial shareholders of the Issuer or the perception that such issues or sales may occur may significantly affect the trading price of the Bonds and the Shares. The Issuer has, subject to certain exceptions, undertaken that it will not, and will procure that none of its nominees or subsidiaries will, *inter alia*, allot or issue or offer to allot or issue, or grant any option, right or warrant to subscribe any Shares or any interests in Shares or any securities convertible or exercisable or exchangeable for or substantially similar to Shares or any interests in Shares for a period of 60 days after the Closing Date (other than pursuant to the Rights Issue), without the prior written consent of the Bookrunner. See "Subscription and Sale".

Before conversion, Bondholders will not be entitled to any shareholder rights, but will be subject to all changes affecting the Issuer's Shares

A Bondholder holding Bonds will not be entitled to any rights with respect to the Issuer's Shares, including voting rights and rights to receive dividends or distributions. However, the Shares which the Bondholder will receive upon conversion of his Bonds will be subject to all changes affecting the Issuer's Shares. Except for limited cases under the adjustments to the conversion price, the Bondholder will be entitled only to rights that the Issuer may grant with respect to its Shares if and when it delivers Shares to the Bondholder upon its election to convert its Bonds into Shares. For example, should the Issuer seek approval from shareholders for a potential merger, or if an amendment is proposed to its Articles of Association which may require shareholder approval, the Bondholders will not be entitled to vote on the merger or amendment.

Bondholders will bear the risk of fluctuations in the trading price of the Issuer's Shares

The market price of the Bonds is expected to be affected by fluctuations in the market price of the Issuer's Shares. It is impossible to predict whether the price of the Issuer's Shares will rise or fall. Trading prices of its Shares will be influenced by, *inter alia*, the Issuer's financial condition, results of operations, economic, financial and other factors. Any decline in the price of the Issuer's Shares may adversely affect the market price of the Bonds.

Other Risks

Beijing Cheng Jian Project Co is party to a civil litigation in Beijing

On 13 April 2007, the Issuer announced that the Group's wholly-owned subsidiary, GLC, had on that date signed a conditional share acquisition agreement with Beijing Beida Jade Bird Company Limited and its related corporations to acquire a 90% stake in Beijing Cheng Jian Project Co for RMB5.8 billion (the "**Proposed Acquisition**"). Beijing Cheng Jian Project Co owns the land use and development rights to the Dongzhimen Site.

RMB500 million has been paid for the transfer of 100% of Hainan Co, which holds a 31.5% stake in Beijing Cheng Jian Project Co, to GLC. The balance RMB5.3 billion will be paid in tranches upon, *inter alia*, receipt of requisite government approvals such as approvals for increase of share capital of Beijing Cheng Jian Project Co, transfer of a further 58.5% stake in Beijing Cheng Jian Project Co to GLC, and an extension of certain licences/approvals relating to the Dongzhimen Site. The last payment of RMB580 million is payable only after satisfactory settlement of all outstanding and valid claims by Shenzhen Development Bank (“SDB”) against Beijing Cheng Jian Project Co.

As announced by the Issuer on 19 April 2007, the Issuer understands that Beijing Cheng Jian Project Co is a co-defendant in a civil litigation in Beijing brought by SDB. The claim by SDB against Beijing Cheng Jian Project Co appears to have arisen in connection with the claim by SDB against the guarantor of certain alleged loans granted by SDB to certain borrowers. The guarantor was a joint venture company between Beijing Cheng Jian Project Co and another party. The joint venture was subsequently cancelled. SDB has alleged that following the cancellation, the Dongzhimen Site intended to be acquired by the guarantor was instead acquired by Beijing Cheng Jian Project Co thereby reducing its paying power under the guarantee. SDB is seeking an order for the transfer of the Dongzhimen Site from Beijing Cheng Jian Project Co to the guarantor. As of the Latest Practicable Date the claim by SDB against Beijing Cheng Jian Project Co is still pending adjudication by the People’s High Court of Beijing.

In view of the foregoing, and that:

- (i) Beijing Beida Jade Bird Company Limited and a subsidiary have given a warranty in the conditional share acquisition agreement that no damage or injury would be caused to Beijing Cheng Jian Project Co and its property due to the claim by SDB and have further agreed to bear all the consequences thereof and to pay for all costs, expenses and economic losses incurred or suffered by Beijing Cheng Jian Project Co arising from the claim by SDB; and
- (ii) GLC has obtained a legal opinion from PRC lawyers, M/s Zhong Lun & Partners, that SDB’s claim against Beijing Cheng Jian Project Co does not have sufficient legal and contractual basis,

the Issuer is of the view that based on latest available information, there is not likely to be any material financial impact on the Group. However, it is possible that the People’s High Court of Beijing may adjudicate unfavourably against Beijing Cheng Jian Project Co in which case, based on legal opinion, GLC will procure that Beijing Cheng Jian Project Co will contest such ruling vigorously.

The Issuer is exposed to market price fluctuations on its derivative financial instruments and quoted investments

The Group uses derivative financial instruments such as interest rate swaps and foreign exchange contracts to hedge its risk associated primarily with interest rates and foreign currency fluctuations. Derivative financial instruments are initially recognised at fair value and are subsequently re-measured at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the profit and loss account. The fair value of forward exchange contracts is calculated with reference to current forward exchange rates and by discounting the future cash flows. The fair value of interest rate swaps is determined as the difference in the present value of the future interest cash flows.

Quoted investments held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity. For securities actively on organised financial markets, fair value is generally determined by reference to stock exchange quoted market bid prices at the close of business on the balance sheet date. For securities where there is no quoted market price and whose fair value cannot be reliably measured, they are measured at amortised cost, less impairment losses if they have a fixed maturity and at costs, less impairment losses if they do not have a fixed maturity.

The Group is therefore exposed to market fluctuations in respect of the derivative financial instruments and quoted investments, which may result in volatility in its financial results.

Endemic outbreaks of avian flu or other infectious diseases or any other serious public health concerns in Asia and elsewhere could adversely impact the Group’s business, results of operations and financial condition

In late 2003, outbreaks of avian influenza occurred in several countries in Asia. By February 2004, these countries reported that the outbreak had been contained. However, in June 2004, new

outbreaks were being reported in Asia, specifically China reported a number of cases of Severe Acute Respiratory Syndrome ("**SARS**") in April 2004. In 2005 and 2006, outbreaks were reported in other parts of the world including Europe, the Middle East and Africa. These outbreaks severely affected the poultry and related industries and resulted in the culling of large stocks of poultry. Vietnam experienced a resurgence of outbreaks in poultry and Turkey, Thailand, Indonesia and Cambodia reported cases of bird-to-human transmission of avian influenza. The World Health Organisation and other agencies continue to issue warnings of a potential avian influenza pandemic if there are sustained human-to-human transmissions.

In 2003, Hong Kong, Taiwan, China, Singapore, Malaysia and other places experienced an outbreak of SARS, which adversely affected the Asian economies, including Singapore.

The outbreak of an infectious disease in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy, and business activities in Asia and could thereby adversely impact the revenues and results of the Group. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concern in Asia could seriously harm the Group's businesses.

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

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business and results of operations of the Group. Further developments stemming from these events or other similar events could cause further volatility. Any additional significant military or other response by the US and/or its allies or any further terrorist activities could also materially and adversely affect international financial markets and the Singapore economy and may adversely affect the operations, revenues and profitability of the Group. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its businesses and results of operations.

Business

The principal activity of the Issuer is that of an investment holding company. The principal business activities of its subsidiaries are property development, property investment, property management and activities relating thereto. A brief description of such businesses is set out below:

Singapore

(a) Property Development

GuocoLand is a well-established developer in the private residential property market in Singapore having successfully developed and sold 24 residential projects in Singapore yielding more than 7,200 apartments and homes over the last 17 years.

GuocoLand is active across all residential market segments in Singapore and currently has five launched residential developments for sale: Le Crescendo, The Stellar, The Quartz, The View @ Meyer and The Boulevard Residence (in which the Group has 40% interest). As at the Latest Practicable Date, the Group has achieved sales of 78% in Le Crescendo, 96% in The Stellar, 84% in The View @ Meyer, 93% in The Boulevard Residence, and 80% of the 320 launched units in The Quartz, a 625-unit development. Six of the Group's developments, namely, Paterson Residence, Leonie Studio, Bishan Point, The Gardens At Bishan, Sanctuary Green and The Ladyhill (in which the Group has 40% interest) became fully sold in the current financial year.

Over the last five months, the Group has entered into a series of en bloc land acquisitions to replenish its landbank in Singapore:

- In December 2006, the Group successfully tendered for the en bloc purchase of the freehold property known as Sophia Court which is located at Mount Sophia in District 9. This site with land area of approximately 15,435 square metres, is in the vicinity of Orchard Road, within walking distance of the Dhoby Ghaut MRT station.
- In March 2007, the Group entered into another conditional collective sale and purchase agreement to acquire the freehold property known as Palm Beach Garden which is located in a quiet residential enclave at Elliot Road near the East Coast Park. This site has a land area of approximately 10,108 square metres.
- In April 2007, the Group successfully tendered for the en bloc purchase of Leedon Heights. This freehold site is located in District 10, off Holland Road and Farrer Road, within a prime residential enclave next to the Leedon Park Good Class Bungalow area. It is within walking distance of the Farrer MRT station on the new Circle Line which is currently under construction. The property has a land area of approximately 48,525 square metres.

The above acquisitions are subject to certain conditions including regulatory approvals. These three latest acquisitions in prime locations are slated for redevelopment into residential developments.

The Group is preparing to launch a high-end freehold condominium development on a 24,845 square metres site at the Newton/Scotts area.

As at the Latest Practicable Date, the Group's landbank in Singapore, in terms of saleable area, is approximately 100,125 square metres. Upon completion of the three recent en bloc land acquisitions of Sophia Court, Palm Beach Garden and Leedon Heights, the Group's landbank in Singapore, in terms of saleable area, will increase to approximately 245,446 square metres.

Some of the Group's notable completed and sold residential development projects in Singapore include the following:

Development	No of units	Year Temporary Occupation Permit ("TOP") obtained
Leonie Studio	97	2006
Nathan Place	46	2006
Bishan Point	164	2005
D'elias	17	2005
Sanctuary Green	522	2004
The Gardens At Bishan	756	2004
Aquarius By The Park	720	2001
Maysprings	636	1998
Stratford Court	268	1998
Tanglin Regency	210	1998
Westville	339	1998
Cavendish Park	254	1996
Kew Bungalows	6	1996
Loyang Villas	423	1996
Melville Park	1,232	1996
Chiltern Park	500	1995
Elias Terrace	78	1994
The Tanamera	288	1994
Elias Green	419	1994
Harbour View Towers	154	1994
Kovan Centre	14	1992
Limau Park	32	1991
Limau Terrace	9	1991
Shelford Court	18	1990

The properties of the Group in Singapore are as follows:

(i) *Properties in the course of development:*

Property	Intended Use	Stage of Completion	Expected TOP Date	Site Area (sq m)	Gross Floor Area (sq m)	Effective Group Interest (%)
Paterson Residence Situated at Paterson Road	Residential	Superstructure & architectural works in progress	7/2008	7,774	16,327	100
The View @ Meyer Situated at Meyer Road	Residential	Piling works in progress	2/2009	3,352	7,039	100
The Stellar Situated at West Coast Road	Residential	Piling & substructure works in progress	10/2008	13,245	18,543	100
The Quartz Situated at Sengkang Central	Residential	Substructure & superstructure works in progress	3/2009	21,985	65,956	100
Casa Rosita Situated at Bukit Timah Road	Residential	Planning	*	24,845	39,752	100

* Not applicable as construction for the development has not commenced.

(ii) *Property held for sale:*

Property	Intended Use	Site Area	Gross Floor Area	Effective Group Interest
		(sq m)	(sq m)	(%)
Le Crescendo Situating at Paya Lebar Road	Residential	12,323	26,182	100

(iii) *Properties pending completion of en bloc acquisitions:*

Property	Intended Use	Stage of Completion	TOP Date	Site Area	Gross Floor Area	Effective Group Interest
				(sq m)	(sq m)	(%)
Sophia Court Situating at Mount Sophia	Residential	*	*	15,435	32,413	100
Palm Beach Garden Situating at 15-81 Elliot Road	Residential	*	*	10,108	16,634	100
Leedon Heights Situating at 12-18 Leedon Heights	Residential	*	*	48,525	76,565	100

* Not applicable as properties are pending completion of en bloc acquisitions.

(b) Property Investment

The Group owns Tung Centre which is located at Collyer Quay in Singapore's Central Business District at Raffles Place. As at the Latest Practicable Date, Tung Centre enjoys full occupancy.

(c) Property-Related Services

The Group's wholly-owned property management subsidiary, GLPM, undertakes marketing and project management services relating to the Group's development projects in Singapore. With about 16 years of experience in property-related services, GLPM continues to provide the Group with its expertise and know-how.

China

The Group's wholly-owned subsidiary, GLC, has had an active presence in China since 1994. GLC's property portfolio comprises interests in well-located property assets in the major cities of Beijing, Shanghai and Nanjing where it has established property operations.

In Beijing, GLC has a 99.04% interest in a land parcel of approximately 36,501 square metres located within the Second Ring Road in the Feng Sheng area along Tai Ping Qiao Da Jie within the Xicheng District of Beijing. A 810-unit residential development named West End Point is being built on the site, which is a short drive away from the main Xi Chang An Road and Financial Street. As at the Latest Practicable Date, 67% of the units in West End Point had been sold.

In Shanghai, GLC has a 98% interest in Central Park, a prime residential development comprising 262 units. Central Park is located at the junctions of Taoyuan Road and Liulin Road in the Luwan District, parallel to the shopping and entertainment belt of Huai Hai Middle Road. As at the Latest Practicable Date, Central Park is 97% sold. GLC also has a 100% interest in a site of approximately 144,000 square metres situated in the Changfeng area in the Putuo District of Shanghai. Hong Qiao International Airport is a short drive from this site. An integrated residential, retail and office development is planned for this site.

In Nanjing, GLC has a 94.93% stake in a land parcel of approximately 90,000 square metres in the Maqun area of the Qixia District in the eastern part of Nanjing City where a 1,112-unit residential development named Ascot Park is under construction. The site is located about 14 kilometres from the Nanjing city centre. This will be the Group's maiden project in Nanjing. GLC also has a 99% interest in a 296,000 square metre land parcel in the Gujiaying area. The site is located near the Purple Mountains in the Xuanwu District. The proposed residential development, named Hillview Regency, will comprise about 2,000 residential units.

The Group continues to expand its presence in major cities in China with two recent acquisitions:

- In March 2007, GLC signed a conditional share acquisition agreement to acquire a 100% stake in a PRC project company which holds the land use and development rights to a land parcel known as Plot 12 of approximately 26,000 square metres located in Laochengxiang area in the Nankai District of Tianjin city. This acquisition marks the Group's entry into Tianjin, which is being developed into a major commercial, industrial and financial centre in northern China.
- In April 2007, GLC signed a conditional share acquisition agreement to acquire a 90% stake in Beijing Cheng Jian Project Co, which owns the land use and development rights to the Dongzhimen Site. The Dongzhimen Site is currently being developed into an integrated retail, hotel, office, residential and transportation terminal hub comprising two metro stations, a bus interchange and an express rail link with flight check-in services giving a quick 15-minute access to the Beijing International Airport. As at the Latest Practicable Date, RMB500 million has been paid for the transfer of 100% of Hainan Co, which holds a 31.5% stake in Beijing Cheng Jian Project Co, to GLC. Please refer to the section on "Risk Factors – Other Risks" for further information on this proposed acquisition.

With the proposed Tianjin Laochengxiang and Beijing Dongzhimen acquisitions, the Group's landbank in China will increase to approximately 2 million square metres of gross floor area.

The properties of the Group in China are as follows:

Property	Intended Use	Stage of Completion	Expected TOP Date	Site Area (sq m)	Gross Floor Area (sq m)	Effective Group Interest (%)
West End Point Situating in Xicheng District, Beijing	Residential/ Commercial	Construction in progress	6/2008	36,501	110,000 [#] 143,000 [*]	99.04
Changfeng Situating in Putuo District, Shanghai	SOHO/ Office, Retail & Hotel	Phase 1 piling work in progress, land resettlement is partially completed	2010	144,000	360,000 [#] 470,000 [*]	100
Ascot Park Situating in Qixia District, Nanjing	Residential/ Retail/SOHO	Piling work for residential portion completed, excavation work in progress	2009	90,000	178,000 [#] 235,000 [*]	94.93
Hillview Regency Situating in Xuanwu District, Nanjing	Residential/ Retail/SOHO	Design planning and land resettlement in progress	2010	296,000	350,000 [#] 460,000 [*]	99
+Dongzhimen Situating in Dongcheng District, Beijing	Residential/ Retail/Hotel/ Office/Trans- portation Hub	Construction in progress	2009	106,000	396,000 [#] 600,000 [*]	90
+Plot 12 – Laochengxiang Situating in Nankai District, Tianjin	Residential/ Office	Land resettled	2010	26,000	153,000 [#] 215,000 [*]	100

Above ground gross floor area

* Total gross floor area (including above ground and below ground gross floor area)

+ Pending completion of conditional acquisitions

Malaysia

As at the Latest Practicable Date, the Group has a 64.98% interest in GLM, a major Malaysian property group with established property operations in Malaysia. GLM became a subsidiary of GuocoLand in May 2006 following the close of a general offer.

GLM was incorporated in Malaysia on 5 May 1920 and has been listed on the Main Board of Bursa Securities since 1961. The principal activities of GLM are investment holding and provision of management services. GLM's subsidiaries are involved in property development, property investment, hotel operations, investment holding, trading in securities and provision of management services including being managers of Tower REIT which is also listed on the Main Board of Bursa Securities.

GLM currently has eight ongoing residential development projects in the Klang Valley, located in the northern corridors of Rawang and Sungai Buloh and the southern corridors of Cheras and Sepang. GLM also has 8.4 acres of freehold land in Damansara Heights in Kuala Lumpur. Development approval had been obtained for an integrated mixed development comprising 2.2 million square feet of residential apartments, two office blocks, a 5-star hotel and a retail mall.

In March 2007, GLM completed the acquisition of eighty-four freehold parcels of contiguous land measuring an aggregate of approximately 16.1 acres. These land parcels are located off Jalan Cheras, approximately seven kilometres from Kuala Lumpur city centre. The land is slated for the development of high-end residential bungalows.

The property portfolio held by GLM group and its joint venture companies comprise mainly residential and commercial assets in Malaysia; and approximately 11,772 acres of land for residential and township development located primarily in the Klang Valley, Rawang, Sepang and Malacca. The GLM group also has interests in 3 hotels namely, Hyatt Regency Johor Bahru and Guoman Port Dickson in Malaysia and Guoman Hanoi in Vietnam.

GLM is also the manager of Tower REIT which was listed on Bursa Securities in April 2006. Tower REIT currently has a property portfolio comprising three freehold commercial buildings, namely HP Towers, Menara HLA and 78.33% of the total share unit entitlement of Menara ING, which have a total net lettable area of approximately 83,451 square metres. GLM derives recurring management income in tandem with growth in the assets of Tower REIT.

The major properties held by the GLM group in Malaysia as at 30 June 2006 are as follows:

Tenure	Location	Land Area (acres)
Freehold	Vacant land in the vicinity of the Damansara Town Centre Kuala Lumpur	8.4
Freehold	Vacant land at Lot 29, Section 90, Town of Kuala Lumpur	1.4
Freehold	Bukit Rahman Putra Balance land with mixed development in progress in Mukim of Sg. Buloh Selangor Darul Ehsan	32.5
Freehold	Notting Hill Land with development in progress at Mukim of Sg. Buloh, Selangor Darul Ehsan	9.0
Freehold	Vacant land at Lot 322 Mukim of Hulu Kelang District of Gombak Selangor Darul Ehsan	11.7
Freehold	Vacant land at Lots 7252 & 7257 Mukim of Pasir Panjang District of Port Dickson Negeri Sembilan Darul Khusus	6.7
Freehold	Pantai Sepang Putra Land with development in progress at Mukim of Sepang and Districts of Sepang & Kuala Langat Selangor Darul Ehsan	5,253.0

Tenure	Location	Land Area (acres)
Freehold	Vacant land at Mukim of Jasin Melaka Darul Amin	5,526.0
Freehold	Vacant land at Lot 3059 Mukim of Hulu Kelang District of Gombak Selangor Darul Ehsan	7.5
Leasehold (Expiry Date – 16/7/2088)	Vacant land at Bedford Business Park Mukim of Petaling Wilayah Persekutuan Kuala Lumpur	1.7
Freehold	Emerald 1 Balance land with development in progress at Mukim of Rawang Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	107.3
Freehold	Emerald 2 Balance land with development in progress at Mukim of Rawang Districts of Gombak & Ulu Selangor Selangor Darul Ehsan	744.0
Freehold	Emerald 1B Land with development in progress at Geran 30372 Lot No 1349, Mukim of Rawang Daerah Ulu Selangor Selangor Darul Ehsan	46.9
		11,756.1
In March 2007, GLM acquired the following:		
Freehold	Cheras land Situating within Taman Mutiara Barat Off Jalan Cheras Kuala Lumpur	16.1
		11,772.2

The investment properties held by the GLM group are:

Investment Property	Description	Tenure of Land
Bangunan Hong Leong No. 117 Jalan Tun H.S. Lee 50000 Kuala Lumpur Malaysia	16-storey office building	Freehold
Menara Pandan Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur Malaysia	Two blocks of 10-storey office tower building	99-year lease with effect from 25 March 2002

Vietnam

GLV has been established as the holding company for GuocoLand's Vietnam operations to facilitate the Group's entry into this fast-emerging market. GLV had signed a conditional agreement in December 2005 to acquire a land parcel of approximately 175,000 square metres next to the Vietnam Singapore Industrial Park, within the Thuan An district of Binh Duong Province. The VSIP Site is about 17 kilometres north of Ho Chi Minh City. In September 2006, GLV was awarded an investment licence from the Ministry of Planning and Investment of Vietnam for the proposed development of an integrated residential, commercial, hotel and retail project on this site with potential gross floor area of approximately 240,000 square metres.

India

Through joint ventures, the Group has been involved in the development of two identical office towers called Signature Towers and another industrial/commercial development named Infocity, in Gurgaon south of Delhi. Signature Towers has been completely sold and Infocity has been substantially sold.

The Group also has a deemed 20% interest in a residential cum commercial project located at Bara Hindu Rao and Kishanganj area in Delhi. This project is about four kilometres away from Connaught Place. Construction of the commercial development called Central Square is underway. When completed, Central Square and the residential development called Park Square, will in aggregate have a gross floor area of up to three million square feet.

Management

Unless otherwise stated, all information in this “Management” section is stated as at the Latest Practicable Date prior to the printing of this Offering Circular for the purpose of ascertaining certain information contained herein.

Directors and Management

The Directors of GuocoLand Limited are responsible for the overall management of the Group. The day-to-day management and operations are entrusted to the Group President and Chief Executive Officer and Senior Management team of the Issuer.

Board of Directors

The Issuer’s Board of Directors assumes responsibility for the effective stewardship and corporate governance of the Group. Its role and responsibilities include *inter alia* setting the overall business strategy and direction for GuocoLand and the Group. The Directors’ particulars are set out below:

Name	Designation
Sat Pal Khattar	Director and Chairman
Quek Chee Hoon	Director, Group President and Chief Executive Officer
Quek Leng Chan	Director
Kwek Leng Hai	Director
Lum Choong Wah	Director
Goh Yong Hong	Director
Reggie Thein	Director

Mr Sat Pal Khattar was appointed to the Board in 1988, and was last re-elected to the Board at the Issuer’s Annual General Meeting in October 2005. He has been the Chairman of the Group since 1990. Mr Khattar is the Chairman of the Nominating Committee and Remuneration Committee which were established in September 2002. Mr Khattar is also a director of other listed companies such as Haw Par Corporation Limited in Singapore and GGL in Hong Kong. Mr Khattar holds a LLM degree and a LLB (Hons) degree from the University of Singapore.

Mr Quek Chee Hoon was appointed to the Board in 1998, and was last re-elected to the Board at the Issuer’s Annual General Meeting in October 2006. He is the Group President and Chief Executive Officer of the Group. Mr Quek has 29 years’ extensive experience in various investment, corporate and management activities, including property-related activities and businesses. Mr Quek holds a Bachelor of Accountancy degree from the University of Singapore.

Mr Quek Leng Chan was appointed to the Board in 1988, and was last re-elected to the Board at the Issuer’s Annual General Meeting in October 2005. He is the Chairman of the Executive Committee and a member of the Remuneration Committee. Mr Quek is the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad (“**HLCM**”) and he sits on the Boards of Directors of the major public listed companies of HLCM. He is also the Executive Chairman of GGL, the Issuer’s intermediate holding company in Hong Kong. Mr Quek qualified as a Barrister-at-Law from Middle Temple, United Kingdom and has extensive business experience in various business sectors, including financial services, manufacturing and real estate.

Mr Kwek Leng Hai was appointed to the Board in 1988, and was last re-elected to the Board at the Issuer’s Annual General Meeting in October 2006. He is a member of the Nominating Committee. Mr Kwek is the President and Chief Executive Officer of GGL in Hong Kong. Mr Kwek is a qualified chartered accountant of the Institute of Chartered Accountants in England and Wales, and has extensive experience in financial services, manufacturing and property investment.

Mr Lum Choong Wah was appointed to the Board in 1997, and was last re-elected to the Board at the Issuer's Annual General Meeting in October 2006. He is a member of the Audit Committee and Nominating Committee. Mr Lum who is now retired, has held senior executive and chief executive positions in both the public and private sectors spanning some 25 years. He holds a Bachelor of Arts (Hons) degree from the University of Malaya in Singapore and a Master of Public Administration from Harvard University.

Mr Goh Yong Hong was appointed to the Board in 1999, and was last re-elected to the Board at the Issuer's Annual General Meeting in October 2004. Mr Goh is a member of the Audit Committee. He had served 31 years in the Singapore Police Force, being Commissioner of Police from 1979 until his retirement from service in 1992. His other appointments include being Chairman of the Board of Advisors of Raffles Town Club, Director of Asia Pacific Breweries Limited, Asia Pacific Breweries (S) Pte Ltd, Evergro Properties Limited and SC Global Developments Ltd. Mr Goh holds a Bachelor of Law (Hons) degree from the University of Malaya in Singapore (1961).

Mr Reggie Thein was appointed to the Board in July 2002, and was last re-elected to the Board at the Issuer's Annual General Meeting in October 2005. He is Chairman of the Audit Committee and a member of the Remuneration Committee. He retired as a Senior Partner, Coopers & Lybrand Singapore, the legacy firm of PricewaterhouseCoopers in 1999 after having spent 37 years with the firm. Mr Thein is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Certified Public Accountants of Singapore. He is also a member of the governing council of the Singapore Institute of Directors and is active in promoting and advancing the practice of corporate governance in Singapore. Mr Thein was awarded the Public Service Medal by the President of Singapore in 1999. He is currently a director of several listed companies in Singapore which include BIL International Limited, F J Benjamin Holdings Ltd, Grand Banks Yachts Limited, Haw Par Corporation Limited, Keppel Telecommunications & Transportation Limited, MFS Technology Ltd, MobileOne Ltd and Lindeteves-Jacoberg Limited.

Senior Management

Members of GuocoLand's Senior Management team are as follows:

Name	Designation
Trina Loh	Managing Director, Singapore Property Division
Violet Lee	Managing Director, China Property Division
Kwek Leng Seng	Group Managing Director, GuocoLand (Malaysia) Berhad
Jerry Lee	Chief Financial Officer
Dawn Pamela Lum	General Manager, Corporate Affairs and Group Company Secretary

Mrs Trina Loh is the Managing Director of the Group's Singapore Property Division. She joined the Group in 1999. Mrs Loh has 24 years' experience in various aspects of the real estate business, particularly in Singapore, United Kingdom and New Zealand. Mrs Loh was a Colombo Plan Scholar and holds a Bachelor of Property Administration degree from the University of Auckland, New Zealand.

Ms Violet Lee is the Managing Director of the Group's China Property Division. She joined the Group in 2000. Ms Lee has 22 years' working experience, spanning business development, marketing and management of various projects, including real estate-related projects in China. Ms Lee holds a Bachelor of Accountancy degree from the National University of Singapore.

Mr Kwek Leng Seng is the Group Managing Director of GLM and was appointed to the Board of GLM on 1 November 1995. He is a member of the Board Audit & Risk Management Committee of GLM. He is also a Director of Hong Leong Bank Berhad, a public listed company. Mr Kwek holds an Honours degree in Law from the University of Buckingham, London. Mr Kwek Leng Seng is the brother of Mr Quek Leng Chan and Mr Kwek Leng Hai, who are Directors and shareholders of the Issuer. Mr Quek Leng Chan is also a deemed substantial shareholder of the Issuer.

Mr Jerry Lee is the Chief Financial Officer. He has been with the Group since 1996. Mr Lee has 27 years of working experience and held various positions in management, business development, corporate finance, corporate treasury, accounting and banking. Mr Lee holds a Bachelor of Accountancy degree from the University of Singapore, a Master of Business Administration degree from the Australian Graduate School of Management, University of New South Wales and a Master Degree in Applied Finance from Macquarie University.

Mrs Dawn Pamela Lum is the General Manager, Corporate Affairs and concurrently, the Group Company Secretary of the Group. She has been with the Group since 1987. Mrs Lum has a total of 30 years of working experience and has assumed key roles in the corporate and management functions of the Issuer. Mrs Lum holds a Bachelor of Law (Hons) degree from the University of Singapore. She was admitted to the Rolls of the Supreme Court of Singapore as an advocate and solicitor in 1977.

Substantial Shareholders

Unless otherwise stated, all information in this “Substantial Shareholders” section is stated as at the Latest Practicable Date prior to the printing of this Offering Circular for the purpose of ascertaining certain information contained herein.

The following table sets forth details about the interests of the substantial shareholders of the Issuer as at the Latest Practicable Date based on information recorded in the Register of Substantial Shareholders maintained pursuant to Section 88 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”). Deemed interest is determined in accordance with Section 7(4) of the Companies Act.

Name	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Guoco Investment Pte Ltd	425,361,240	63.90	–	
ABN AMRO Bank N.V., London Branch	44,045,989	6.62		
Fairbury Pte. Ltd. ⁽¹⁾	53,817,000	8.08	–	
Guoco Group Limited	–	–	425,361,240 ⁽²⁾	63.90
GuoLine Overseas Limited	–	–	425,361,240 ⁽²⁾	63.90
GuoLine Capital Assets Limited	–	–	425,361,240 ⁽²⁾	63.90
Hong Leong Company (Malaysia) Berhad	–	–	425,361,240 ⁽²⁾	63.90
HL Holdings Sdn Bhd	–	–	425,361,240 ⁽²⁾	63.90
Hong Leong Investment Holdings Pte Ltd.	–	–	425,361,240 ⁽²⁾	63.90
Quek Leng Chan	15,047,224	2.26	425,361,240 ⁽²⁾	63.90

Notes:

(1) Trust constituted for the purpose of the ESOS.

(2) Deemed interest arising through Guoco Investment Pte Ltd by virtue of Section 7 of the Companies Act.

Interested Person Transactions

The Group has ongoing contractual arrangements with companies within the Guoco Group and Hong Leong Group Malaysia in the ordinary course of business. Such transactions are subject to the applicable rules of the SGX-ST governing transactions between a listed company and its “interested persons” (as defined in the rules of the SGX-ST). The Issuer has adequate established procedures with the objective of ensuring that interested person transactions are undertaken on normal commercial terms, and are not prejudicial to the interests of the Group and its minority shareholders and in accordance with the laws and regulations of the regulatory authorities in the jurisdiction to which the parties to such transactions are subject. Where applicable, the Audit Committee of the Issuer notes or reviews interested person transactions entered into by the Group in accordance with these procedures.

Directors' Shareholdings

Based on information recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date, the Directors of the Issuer have an aggregate interest in a total of 477,514,691 Shares (direct and deemed).

	Fully paid Shares			
	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Sat Pal Khattar	5,000,000	0.75	5,392,362 ⁽¹⁾	0.81
Quek Chee Hoon	6,862,725	1.03	—	—
Quek Leng Chan	15,047,224	2.26	425,361,240 ⁽²⁾	63.90
Kwek Leng Hai	19,851,140	2.98	—	—
Lum Choong Wah	—	—	—	—
Goh Yong Hong	—	—	—	—
Reggie Thein	—	—	—	—

Notes:

- (1) Deemed interest arising through Khattar Holdings Pte Ltd by virtue of Section 7 of the Companies Act.
- (2) Deemed interest arising through Guoco Investment Pte Ltd by virtue of Section 7 of the Companies Act.

Terms and Conditions of the Bonds

The following other than the words in italics is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:

The issue of the S\$345,000,000 Convertible Bonds due 2012 (the "**Tranche 1 Bonds**") and the S\$345,000,000 Convertible Bonds due 2012 (the "**Tranche 2 Bonds**") and together with the Tranche 1 Bonds, the "**Bonds**", which term shall include, unless the context requires otherwise, any further Bonds issued under the Up-size Option (as defined in the Trust Deed) in accordance with Condition 16 and consolidated and forming a single series therewith) of GuocoLand Limited (the "**Issuer**"), was authorised by a resolution of the Board of Directors of the Issuer passed on 19 April 2007. The issue of any Shares (as defined herein) upon conversion of the Bonds is subject to the Relevant Approvals (as defined herein) having been obtained. The Bonds are constituted by a trust deed (as amended or supplemented from time to time) (the "**Trust Deed**") dated 7 May 2007 and made between the Issuer and The Hongkong and Shanghai Banking Corporation Limited as trustee for the holders of the Bonds (the "**Trustee**", which term shall, where the context so permits, include all other persons for the time being acting as trustee or trustees under the Trust Deed). The Issuer has entered into a paying, conversion and transfer agency agreement (as amended or supplemented from time to time, the "**Agency Agreement**") dated 7 May 2007 with the Trustee, The Hongkong and Shanghai Banking Corporation Limited as principal paying, conversion and transfer agent (the "**Principal Agent**"), The Hongkong and Shanghai Banking Corporation Limited as registrar (the "**Registrar**") and the other paying, conversion and transfer agents appointed under it (each a "**Paying Agent**", "**Conversion Agent**", "**Transfer Agent**" (references to which shall include the Registrar) and together with the Registrar and the Principal Agent, the "**Agents**") relating to the Bonds. References to the "**Principal Agent**", "**Registrar**" and "**Agents**" below are references to the principal agent, registrar and agents for the time being for the Bonds. The statements in these terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed. Copies of the Trust Deed and of the Agency Agreement are available for inspection by the Bondholders at the registered office of the Trustee being at the date hereof at Level 30, HSBC Main Building, 1 Queen's Road Central, Hong Kong and at the specified offices of each of the Agents. The Bondholders are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1 STATUS

The Bonds constitute direct, unsubordinated, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.

2 FORM, DENOMINATION AND TITLE

2.1 Form and Denomination

The Bonds are issued in registered form in the denomination of S\$100,000 each or integral multiples thereof. A bond certificate (each a "**Certificate**") will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.

Upon issue, the Bonds will be represented by Global Certificates deposited with a common depositary for, and representing Bonds registered in the name of a common nominee of, Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking, société anonyme. The Conditions are modified by certain provisions contained in the Global Certificates.

2.2 Title

Title to the Bonds passes only by transfer and registration in the register of Bondholders as described in Condition 3. The holder of any Bond will (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Terms and Conditions "**Bondholder**" and (in relation to a Bond) "**holder**" means the person in whose name a Bond is registered.

3 TRANSFERS OF BONDS; ISSUE OF CERTIFICATES

3.1 Register

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement a register on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds (the "**Register**"). Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding.

3.2 Transfers

Subject to Condition 3.5 and the terms of the Agency Agreement, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Transfer Agents. No transfer of title to a Bond will be valid unless and until entered on the Register.

Transfers of interests in the Bonds evidenced by the Global Certificates will be effected in accordance with the rules of the relevant clearing systems.

3.3 Delivery of New Certificates

3.3.1 Each new Certificate to be issued upon a transfer of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, any other relevant Transfer Agent of the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Principal Agent.

*Except in the limited circumstances described herein (see "**the Global Certificates**"), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.*

3.3.2 Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred or converted, a new Certificate in respect of the Bonds not so transferred or converted will, within seven business days of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred or converted (but free of charge to the holder) to the address of such holder appearing on the Register.

3.3.3 For the purposes of these Conditions (except for Condition 7), "**business day**" shall mean a day other than a Saturday or Sunday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

3.4 Formalities Free of Charge

Registration of a transfer of Bonds will be effected without charge by or on behalf of the Issuer or any of the Agents, but upon (i) payment (or the giving of such indemnity as the Issuer or any of the Agents may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer; and (ii) the Issuer or the relevant Transfer Agent being satisfied that the regulations concerning transfer of Bonds have been complied with.

3.5 Closed Periods

No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the dates for redemption pursuant to Condition 8.2 and Condition 8.3; (ii) after a Conversion Notice (as defined in Condition 6.2) has been delivered with respect to a Bond; (iii) after a Put Option Notice (as defined in Condition 8.4) has been deposited in respect of such a Bond; (iv) after a Relevant Event Put Exercise Notice (as defined in Condition 8.5) has been deposited in respect of such a Bond; or (v) after a Purchase Notice (as defined in Condition 8.6) has been deposited in respect of such a Bond, each such period being a "**Closed Period**".

3.6 Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, which approval shall not be unreasonably withheld. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon request.

4 NEGATIVE PLEDGE

So long as any Bonds remains outstanding (as defined in the Trust Deed), the Issuer will not create or permit to subsist, and the Issuer will procure that no Principal Subsidiary (as defined below) will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security**") upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any International Investment Securities (as defined below) or to secure any guarantee of or indemnity in respect of, any International Investment Securities unless, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Deed (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders; provided that nothing in this Condition shall prohibit or restrict the Issuer from securing any indebtedness evidenced by International Investment Securities existing on (1) any property or asset of any entity at the time the Issuer or any of its Subsidiaries acquires such entity after 7 May 2007 or (2) any property or asset at the time it is acquired by the Issuer or any of its Subsidiaries after 7 May 2007 provided that in each case, (a) such Security shall not have been created in contemplation of or in connection with such acquisition and (b) the principal amount or maturity of such indebtedness is not increased.

For the purposes of these Conditions,

"International Investment Securities" means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other marketable securities which are for the time being, or are intended to be or capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange.

"Principal Subsidiaries" means, in relation to the Issuer, any subsidiary (i) whose net profit, as shown by the latest audited accounts (consolidated in the case of a company which itself has subsidiaries) of such subsidiary, are at least 10% of the consolidated net profit of the Issuer as shown in the latest audited consolidated accounts of the Issuer or (ii) whose net assets, as shown in the latest audited accounts (consolidated in the case of a company which itself has subsidiaries) of such subsidiary are at least 10% of the consolidated net assets of the Issuer as shown in the latest audited consolidated accounts of the Issuer, including any such subsidiary as may be acquired or formed by

the Issuer from time to time during the term of the Bonds. Provided that for the purpose of this Condition 4, no subsidiary of the Issuer that is listed on a stock exchange or any subsidiary of any such listed subsidiary shall be included in the definition of Principal Subsidiary.

5 INTEREST

Save for payment of Early Redemption Interest Amounts and Final Redemption Interest Amount (each as defined below) or as provided in Condition 7.5, the Bonds do not bear any interest.

6 CONVERSION

6.1 Conversion Right

6.1.1 *Conversion Period:* Subject as hereinafter provided, Bondholders have the right to convert their Bonds into Shares at any time during the Conversion Period referred to below.

A Bondholder's option to convert any Bond into Shares is called the "**Conversion Right**". No Conversion Rights shall exist unless and until all the Relevant Approvals have been obtained. Subject to the Relevant Approvals being obtained, the Conversion Rights shall only come into existence and shall be deemed to be granted by the Issuer, (i) after all Relevant Approvals have been obtained and (ii) on the date falling two business days (such date not being later than 1 August 2007) after the books closure date for the Rights Issue. Subject to and upon compliance with the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on and after the date falling two business days (such date not being later than 1 August 2007) after the books closure date for the Rights Issue up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on 27 April 2012 (but, except as provided in Condition 6.1.4, in no event thereafter) or if such Bond shall have been called for redemption before 27 April 2012, then up to the close of business (at the place aforesaid) on a date no later than seven business days (at the place aforesaid) prior to the date fixed for redemption thereof (the "**Conversion Period**").

For the purpose of these Conditions, "**Relevant Approvals**" means (i) approval from the shareholders of the Issuer at an extraordinary general meeting of the Issuer to be convened for the Conversion Rights and the issue of the Shares which would have been required to be issued on conversion of the Bonds ("**Conversion Shares**"); (ii) approval from the shareholders of Guoco Group Limited for dilution of the shareholding of Guoco Group Limited in the Issuer to allow the Conversion Rights; and (iii) approval from the SGX-ST for the shareholders' circular to be issued by the Issuer to seek the aforesaid approval from the shareholders of the Issuer.

If all the Relevant Approvals are not obtained by 1 August 2007, this shall constitute a Mandatory Redemption Event (as defined in Condition 8).

Notwithstanding anything herein, Bondholders (including Bondholders who convert their Bonds into Shares) shall not be entitled to participate in the Rights Issue. For the purposes of these Conditions, "**Rights Issue**" means the proposed renounceable rights issue by the Issuer announced by the Issuer in its announcement dated 19 April 2007 comprising 221,882,489 Shares at an issue price of S\$2.50 per Share, on the basis of one Share for every three existing Shares in the capital of the Issuer.

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of members of the Issuer is closed generally or for the purpose of establishing entitlement to any dividend, distribution or other rights attaching to the Shares (a "**Book Closure Period**"), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 6.2.1) after the expiry of such Book Closure Period. Any exercise of a Conversion Right shall be deemed to be ineffective and, subject to Condition 6.1.4, shall be deemed to have expired if, as a result of any postponement pursuant to this paragraph, the Conversion Date would fall on a day after expiry of the Conversion Period

or, in the case of the exercise of such rights as aforesaid, after the relevant redemption date. The Issuer undertakes to ensure that the Book Closure Period is as short a period as is reasonably practicable, having regard to applicable Singapore law.

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted by the Conversion Price in effect at the Conversion Date (both as hereinafter defined). Following conversion in accordance with these Conditions, the right of the converting Bondholder to repayment of the principal amount of the Bond shall be extinguished and released, and in consideration and in exchange therefor, the Issuer shall allot and issue Shares credited as paid-up in full as provided in this Condition 6. A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

- 6.1.2 *Fractions of Shares*: Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 7 May 2007 which reduces the number of Shares outstanding, the Issuer will upon conversion of the Bonds pay in cash (in Singapore dollars by means of a Singapore dollar cheque drawn on a bank in Singapore) a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6.1.1, as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification as aforesaid if such sum exceeds S\$10.00.
- 6.1.3 *Conversion Price and Conversion Ratio*: The price at which Shares will be issued upon conversion, as adjusted from time to time (the “**Conversion Price**”) will initially be S\$6.216 per Share but will be subject to adjustment in the manner provided in Condition 6.3. The conversion ratio (the “**Conversion Ratio**”) is equal to the principal amount of each Bond divided by the then Conversion Price.
- 6.1.4 *Revival and/or survival after Default*: Notwithstanding the provisions of Condition 6.1.1, if (a) the Issuer shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date (as defined in Condition 8.1) by reason of the occurrence of any of the events under Condition 10 or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8.1, the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and, notwithstanding the provisions of Condition 6.1.1, any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined in Condition 6.2.1(ii)) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.
- 6.1.5 *Meaning of “Shares”*: As used in these Conditions, the expression “**Shares**” means ordinary shares in the capital of the Issuer (which include ordinary shares of the Issuer listed on the SGX-ST (as defined below)) or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

6.1.6 Mandatory Conversion at the option of the Issuer:

- (i) At any time on or after 7 May 2009 and prior to the date falling seven business days prior to the Maturity Date, the Issuer may, having given not less than 10 Trading Days notice of mandatory conversion (the “**Mandatory Conversion Notice**”) to the Bondholders (the “**Mandatory Conversion Notice Period**”), mandatorily convert all but not some only of the Bonds outstanding into Shares (the “**Mandatory Conversion**”) provided that no such conversion may be made unless the Volume Weighted Average Price (as defined below) of the Shares for each of 10 consecutive Trading Days, the last of which occurs not more than 10 Trading Days prior to the date upon which notice of conversion is published, was at least 120 per cent. of (x) the principal amount of the Bonds plus interest equal to the applicable Early Redemption Interest Amount divided by (y) the Conversion Ratio (the “**Trigger Event**”). If there shall occur an event giving rise to a change in the Conversion Price during any such 10 consecutive Trading Day period or during the applicable notice period, appropriate adjustments for the relevant days shall be made for the purpose of calculating the Volume Weighted Average Price for such days. The Trustee shall not be required to take any steps to ascertain whether a Trigger Event has occurred.
- (ii) The Issuer’s right to mandatorily convert under this Condition will lapse if the Mandatory Conversion Notice is not given to the Bondholders within the aforesaid 10 Trading Day period. The Mandatory Conversion Notice shall specify: (i) the expiry date of the Mandatory Conversion Notice Period; (ii) the Cut-Off (as defined below); (iii) a confirmation that the conditions to Mandatory Conversion specified in this Condition have been satisfied; and (iv) the then applicable Conversion Price. The Mandatory Conversion Notice shall also specify further details of the conversion, including instructions to Bondholders regarding the time period in which Bondholders must deposit and surrender their respective Certificates and the duly signed and completed Mandatory Conversion Notice at the specified office of any of the Agents.
- (iii) The Issuer’s right to mandatorily convert under this Condition does not affect a holder’s right to exercise its Conversion Right hereunder (which shall remain in full force and effect during the Mandatory Conversion Notice Period) provided that in no event shall the Conversion Date fall after the date for Mandatory Conversion hereunder.
- (iv) Upon the expiry of the Mandatory Conversion Notice Period, the Issuer will be entitled and bound (subject to and in accordance with Condition 6) to convert the Bonds to which such notice relates into Shares and the date of expiry of such period shall be deemed to be the Conversion Date. The holders of the Bonds to be so converted shall be deemed to have exercised their Conversion Rights and the provisions of Condition 6 shall apply *mutatis mutandis*.
- (v) If on the business day immediately following the Mandatory Conversion Notice Period (the “**Cut-Off Date**”), Conversion Notices have not been received by a Conversion Agent in respect of any Bonds outstanding (“**Relevant Bonds**”), the Relevant Bonds shall be converted into Shares in accordance with these Conditions at the applicable Conversion Price and such Shares shall be delivered to such agent of the Issuer located in Singapore as agreed in writing with the Trustee. The Issuer shall, as soon as reasonably practicable, cause the relevant securities account of an agent appointed by the Issuer located in Singapore (as agreed in writing by the Trustee) to be credited with such number of relevant Shares to be issued upon conversion (notwithstanding any retroactive adjustment of the Conversion Price referred to below prior to the time it takes effect). All of the Shares delivered, or to be delivered, on such conversion shall be sold by, or on behalf of, the agent as soon as practicable, (subject to any necessary consents being obtained and applicable regulations), and subject to the deduction by the agent of any amount which it determines to be payable in respect of its liability to taxation and the payment of any capital, stamp, transfer, issue or registration duties (if sale thereof) and the net proceeds of sale together with accrued interest (if any), and any cash in lieu of fractions and any other amount payable by the Issuer in respect of the relevant exercise in respect of the Relevant Bonds shall be held by the agent and distributed rateably to the holders of such Relevant Bonds.

The Trustee and the Issuer shall have no responsibility to any person for the manner in which such sale is effected or if the aggregate sale proceeds fall short of the principal amount of the Relevant Bonds. The Trustee and the Issuer shall have no liability in respect of the exercise or non-exercise or in respect of any such sale of Shares whether for the timing of any such sale or the price at which any such Shares are sold, or the inability to sell any such Shares or otherwise.

6.2 Conversion Procedure

6.2.1 Conversion Notice:

- (i) To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense from 9:00 a.m. to 3:00 p.m. on a business day at the specified office of any Conversion Agent a notice of conversion (a "**Conversion Notice**") in duplicate in the form (for the time being current) obtainable from the specified office of each Agent, together with the relevant Certificate and any amounts required to be paid by the Bondholder under Condition 6.2.2.
- (ii) The conversion date in respect of a Bond (the "**Conversion Date**") must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6.1.4 above) and will be deemed to be the Stock Exchange Business Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents to such withdrawal. The Issuer, or the Conversion Agent on its behalf, may reject any Conversion Notice which is, in its opinion, incorrect or incomplete in any material respect. All costs and expenses incurred or caused by a Conversion Notice which is, in the opinion of the Issuer or the Conversion Agent, incorrect or incomplete in any material respect shall be for the account of the relevant Bondholder. "**Stock Exchange Business Day**" means any day (other than a Saturday or Sunday) on which the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") or the Alternative Stock Exchange (as defined in Condition 6.4.1 below), as the case may be, is open for securities trading.

6.2.2 Stamp Duty etc.: A Bondholder delivering a Certificate in respect of a Bond for conversion must pay to the relevant Conversion Agent any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital or stamp duties payable in Singapore and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the SGX-ST or Alternative Stock Exchange on conversion) (the "**Taxes**") and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. The Bondholder (and, if applicable, the person other than the Bondholder to whom the Shares are to be issued) must provide the Agent with details of the relevant tax authorities to which the Agent must pay monies received in settlement of Taxes payable pursuant to this Condition 6.2.2. The Agent is under no obligation to determine whether a Bondholder is liable to pay any taxes including stamp, issue, registration or similar taxes and duties or the amounts payable (if any) in connection with this Condition 6.2.2.

6.2.3 Registration:

- (i) As soon as practicable, and in any event not later than ten Stock Exchange Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the relevant Bondholder deposited or paid as required by Conditions 6.2.1 and 6.2.2, procure that the relevant number of Shares are allotted to and registered in the name of the Depository (as defined in the Companies Act, Chapter 50 of Singapore) for credit to the securities account

designated for the purpose in the Conversion Notice for so long as the Shares are listed on the SGX-ST; or if the Shares are not listed on the SGX-ST, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's share register and make such certificate or certificates available for collection at the office of the Issuer's share registrar in Singapore notified to Bondholders in accordance with Condition 17 or, if so requested in the relevant Conversion Notice, cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof.

- (ii) If the Conversion Date in relation to any Bond shall be after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Conversion Price pursuant Condition 6.3, but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares as, together with the Shares issued or to be issued on conversion of the relevant Bond, is equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective immediately after the relevant record date.
- (iii) The person or persons designated in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members (the "**Registration Date**"). The Shares issued upon conversion of the Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date, save for any rights under the Rights Issue. Save as set out in these Conditions, a holder of Shares issued on conversion of Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.
- (iv) If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this Condition 6.2.3 prior to the time such retroactive adjustment shall have become effective), the Issuer will calculate and pay to the converting Bondholder or his designee an amount (the "**Equivalent Amount**") in Singapore dollars equal to the Fair Market Value of any such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by means of a Singapore dollar cheque drawn on a bank in Singapore and sent to the address specified in the relevant Conversion Notice.

6.3 Adjustments to Conversion Price

The Conversion Price will be subject to adjustment in certain events set out in the Trust Deed, including the following events (save and except that no adjustments will be made to the Conversion Price by virtue of the issue of any further Bonds in accordance with Condition 16):

- 6.3.1 *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the number of the issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of Shares issued immediately before such alteration; and

B is the aggregate number of issued Shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- 6.3.2 *Capitalisation of Profits or Reserves:*

If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of the Shares (the "**Shareholders**") by way of capitalisation of profits or reserves including Shares paid up out of distributable profits or reserves (including any issue of bonus shares), save where Shares are issued in lieu (whether or not upon election) of the whole or any part of a specifically declared cash dividend (the "**Relevant Cash Dividend**"), being a dividend which the Shareholders concerned would or could otherwise have received (a "**Scrip Dividend**") and which would not have constituted a Capital Distribution (as defined herein), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such issue; and

B is the aggregate number of issued Shares immediately after such issue.

OR by making such other adjustment as a leading independent investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee, shall certify to the Trustee is fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- 6.3.3 *Capital Distribution:* If and whenever the Issuer shall pay or make any Capital Distribution (as defined below) to the Shareholders (except where the Conversion Price falls to be adjusted under Condition 6.3.2 above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement, as determined in good faith by a leading independent investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee, of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made.

When the Capital Distribution is by means of distribution of a Dividend, only such portion of Dividend or distribution which exceeds the amounts referred to in Condition 6.4.2(a) (the “**excess portion**”) shall be regarded as Capital Distribution and only the excess portion shall be taken into account in the determination of the Fair Market Value of the portion of the Capital Distribution attributable to one Share.

- 6.3.4 *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares (including the Rights Issue) or undertake any analogous issue of Shares, in each case at less than 95 per cent. of the Current Market Price (as defined below) per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

- 6.3.5 *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or the grant to all or substantially all Shareholders as a class by way of rights, of any options, warrants or other rights to subscribe for or purchase, any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement, as determined in good faith by a leading independent investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

- 6.3.6 *Issues at less than Current Market Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 6.3.4 above) wholly for cash any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant of (otherwise as mentioned in Condition 6.3.4 above) options, warrants or other rights to subscribe or purchase Shares in each case at a price per Share which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

- 6.3.7 *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this Condition 6.3.7, the issue wholly for cash by the Issuer or any Subsidiary (otherwise than as mentioned in Conditions 6.3.4, 6.3.5 or 6.3.6 above) or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity of any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

6.3.8 *Modification of Rights of Conversion etc:* Any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6.3.7 above (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities, in each case so modified, would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as a leading investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee considers appropriate (if at all) for any previous adjustment under this Condition 6.3.8 or Condition 6.3.7 above.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

6.3.9 *Other Offers to Shareholders:* The issue, sale or distribution by or on behalf of the Issuer or any Subsidiary or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity of any securities in connection with an offer by or on behalf of the Issuer or any Subsidiary or such other company, person or entity pursuant to which offer the Shareholders generally (meaning for these purposes the holders of at least 60 per cent. of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Conditions 6.3.4, 6.3.5, 6.3.6 or 6.3.7 above).

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced; and
- B is the Fair Market Value on the date of such announcement, as determined in good faith by a leading investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee, of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities.

6.3.10 *Other Events:* If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6.3, the Issuer shall at its own expense request a leading investment bank (acting as an expert), selected by the Issuer and approved in writing by the Trustee, to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination such adjustment shall be made and shall take effect in accordance with such determination PROVIDED THAT where the circumstances giving rise to any adjustment pursuant to this Condition 6.3 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6.3 as may be advised by a leading investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee, to be in its opinion appropriate to give the intended result.

6.3.11 Neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify the Conversion Price and/or any adjustments to it and will not be responsible to Bondholders for any loss arising from any failure to do so.

6.4 For the purposes of these Conditions:

6.4.1 **"Alternative Stock Exchange"** means at any time, in the case of the Shares, if they are not at that time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

6.4.2 “**Capital Distribution**” means: (i) any distribution of assets in specie by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid) by way of capitalisation of reserves); and (ii) any Dividend (including any cash or Scrip Dividend) or distribution of any kind by the Issuer for any financial period (whenever paid and however described) unless:

- (a) (and to the extent that) it does not, on a per Share basis, when taken together with the aggregate of any other Dividends previously made or paid in respect of the same financial year, exceed the Reference Amount per Share for the relevant financial year as set out below:

In respect of the financial year ending	Reference Amount per Share
	(S\$)
30 June 2007	0.09
30 June 2008	0.11
30 June 2009	0.12
30 June 2010	0.14
30 June 2011	0.16
30 June 2012	0.18

- (b) (and to the extent that) in the case of a distribution in specie only, it does not, when taken together with the aggregate of the Fair Market Value of any other Dividends previously made or paid in respect of all periods ending after 30 June 2006, exceed the aggregate of the consolidated net profits for such periods (less the aggregate of any consolidated net losses) attributable to Shareholders for all periods ending after 30 June 2006, after deducting minority interests and preference dividends (if any) but (1) deducting any amounts in respect of any asset previously credited to the Issuer’s reserves (in respect of any period or date up to and including 30 June 2006) pursuant to any revaluation of such asset, where amounts arising on the disposal of such asset have contributed to such profits and (2) deducting any exceptional and extraordinary items, (and for the avoidance of doubt after excluding any amount arising as a result of any reduction in registered capital, share premium account or capital redemption reserve), but including any profit transferred from any reserve), in each case calculated by reference to the audited consolidated profit and loss accounts for such periods of the Issuer and its Subsidiaries; or
- (c) it comprises a purchase or redemption of Shares by or on behalf of the Issuer (or a purchase of Shares by or on behalf of a Subsidiary of the Issuer) where the weighted average price (before expenses) on any one day in respect of such purchases does not exceed by more than 5 per cent. the average closing market price of the Shares as quoted by the SGX-ST or, as the case may be, Alternative Stock Exchange, either (1) for the five market days on which transactions in the Shares were recorded preceding the day of the purchase, or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement (excluding, for the avoidance of doubt, general authority for such purchases given by a Shareholders’ meeting of the Issuer, or any notice convening such meeting) and, if in the case of either (1) or (2), the relevant day is not a Trading Day, the immediately preceding Trading Day.

In making any such calculation under this Condition 6.4.2, such adjustments (if any) shall be made as a leading investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee, may consider appropriate to reflect (1) any consolidation or subdivision of the Shares, (2) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (3) the modification of any rights to Dividends of Shares.

- 6.4.3 “**closing price**” for the Shares for any Trading Day shall be the closing market price quoted by the SGX-ST or, as the case may be, the Alternative Stock Exchange.
- 6.4.4 “**Current Market Price**” means, in respect of a Share at a particular time on a particular date, the volume weighted average price obtained or derived from Bloomberg (or such other source as shall be determined to be appropriate by a leading investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee) for one Share (being a Share carrying full entitlement to dividend) for the period represented by the 10 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 10 Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:
- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the Fair Market Value thereof reduced by an amount equal to the amount of that dividend per Share; or
 - (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;
- and provided further that if the Shares on each of the said 10 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share.
- and provided further that:
- (iii) if such closing prices are not available on each of the 10 Trading Days during the relevant period, then the arithmetic average of such closing prices which are available in the relevant period shall be used (subject to a minimum of two such closing prices); and
 - (iv) if only one or no such closing prices is available in the relevant period, then the Current Market Price shall be determined in good faith by a leading investment bank of international repute (acting as an expert) appointed by the Issuer and approved by the Trustee in writing.
- 6.4.5 “**Dividend**” means any dividend or distribution, whether of cash, Scrip Dividend, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of Shares or other securities credited as fully or partly paid up) provided that where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of Shares or other property or assets, then, the Dividend in question shall be treated as a Dividend of (a) the cash Dividend so announced or (b) the Current Market Price on the date of announcement of such Dividend, of such Shares or the Fair Market Value of other property or assets to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of Shares elected therefor, regardless of whether any such election is made) if the Current Market Price of such Shares or the Fair Market Value of other property or assets is greater than the cash Dividend so announced.
- 6.4.6 “**Fair Market Value**” means, with respect to any assets, property, security, option, warrants or other right on any date, the fair market value of that asset, property, security, option, warrant or other right as determined by a leading investment bank (acting as an expert), selected by the Issuer and approved in writing by the Trustee, acting as an expert; provided that (i) the fair market value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; and (ii) where

assets, property, security, options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such investment bank) the fair market value of such assets, property, security, options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such assets, property, security, options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such assets, property, security, options, warrants or other rights are publicly traded.

- 6.4.7 **“Trading Day”** means a day when the SGX-ST or, as the case may be, an Alternative Stock Exchange is open for dealing business, provided that if no closing price is reported in respect of the relevant Shares on the SGX-ST or, as the case may be, the Alternative Stock Exchange for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing days.
- 6.4.8 **“Volume Weighted Average Price”** means, in respect of any Trading Day, the daily volume weighted average price of the Shares for such Trading Day as obtained or derived from Bloomberg (or such other source as shall be determined to be appropriate by a leading investment bank (acting as an expert), selected by the Issuer and approved in writing by the Trustee) or, if no transaction in respect of the Shares takes place on such Trading Day, the average of the closing bid and offer prices quoted by the SGX-ST or, as the case may be, the Alternative Stock Exchange, for such Trading Day.
- 6.4.9 On any adjustment, the relevant Conversion Price, if not an integral multiple of one Singapore cent, shall be rounded down to the nearest one Singapore cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with Condition 17 as soon as practicable after the determination thereof.
- 6.4.10 Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of a leading investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by a leading investment bank of international repute (acting as an expert), selected by the Issuer and approved in writing by the Trustee, to be in its opinion appropriate in order to give such intended result.
- 6.4.11 No adjustment shall be made to the Conversion Price where Shares or other securities (including rights, warrants or options are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of employees or former employees (including directors holding or formerly holding executive office) of the Issuer or any Subsidiary or any associated company of the Issuer pursuant to any employees’ share scheme or plan (including a dividend reinvestment plan) which is in compliance with the listing rules of SGX-ST or, if applicable, those of an Alternative Stock Exchange) or pursuant to the conversion of the Bonds.
- 6.4.12 No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6.3.1 above or to correct an error.
- 6.4.13 If the Issuer fails to select an independent investment bank when required for the purposes of Condition 6.3, the Trustee may select such a bank. The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so.
- 6.4.14 In case an investment bank (acting as an expert) is to be selected by the Issuer and approved by the Trustee, such investment bank shall certify its independence in writing to the Issuer and the Trustee. Upon such certification the Trustee shall approve the selection of such independent investment bank, in writing.

6.5 Undertakings

- 6.5.1 The Issuer has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders or with the approval of the Trustee where, in the opinion of the Trustee, it is not materially prejudicial to the interests of Bondholders to give such approval:
- (i) it will use its reasonable endeavours (a) to maintain a listing for all the issued Shares on the SGX-ST, (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the SGX-ST and (c) if the Issuer is unable to obtain or maintain such listing, to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights on an Alternative Stock Exchange as the Issuer may from time to time (with the prior written consent of the Trustee) determine and will forthwith give notice to the Bondholders in accordance with Condition 17 below of the listing or delisting of the Shares (as a class) by any of such stock exchanges;
 - (ii) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds;
 - (iii) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any capital redemption reserve fund (except, in each case, as permitted by law or by means of a purchase or redemption of the share capital of the Issuer permitted by Condition 6.3 or where the reduction results (or would, but for the fact that the adjustment would be less than one per cent of the Conversion Price then in effect, result) in an adjustment to the Conversion Price under Condition 6.3 or unless the applicable provisions of Condition 6.3 are complied with); and
 - (iv) it will use reasonable endeavours to maintain the listing of the Bonds on the SGX-ST.
- 6.5.2 In the Trust Deed, the Issuer has undertaken with the Trustee that so long as any Bonds remains outstanding:
- (i) all Shares liable to be issued on conversion of the Bonds will be duly and validly issued as fully-paid provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.
- 6.5.3 The Issuer has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

6.6 Notice of Change in Conversion Price

The Issuer shall give notice to the Bondholders in accordance with Condition 17 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

6.7 Optional Conversion Price Reset

- 6.7.1 At any time after 7 May 2007, the Issuer may in its discretion, by providing no less than 10 days notice to the Bondholders in accordance with Condition 17 (the final day of such notice being the “**Reset Date**”), reset the Conversion Price (the “**Reset Reference Price**”) provided that the Reset Reference Price is less than the Conversion Price in effect on the relevant Reset Date (taking into account any adjustments as described in Condition 6.3 which may have occurred prior to the relevant Reset Date. The Conversion Price shall be adjusted at the option of the Issuer, by notice to the Bondholders in accordance with Condition 17, on the relevant Reset Date so that the Reset Reference Price (subject to paragraph 6.7.2 below) will become the adjusted Conversion Price with effect from the relevant Reset Date.

6.7.2 Such adjusted Conversion Price shall be rounded downwards, if necessary, to the nearest Singapore cent, provided that:

- (i) any such adjustment to the Conversion Price shall be limited such that the adjusted Conversion Price in no event shall be less than 70.00 per cent. of the initial Conversion Price (subject to adjustment for the Rights Issue and all other adjustments to be made pursuant to Condition 6.3 but excluding for the avoidance of doubt, the effect of any resets to the Conversion Price pursuant to this Condition 6.7).
- (ii) the adjustment events set out in Condition 6.3 shall apply, *mutatis mutandis*, to adjustments hereunder to ensure that appropriate adjustments shall be made to the Conversion Price as so adjusted to reflect any events set out in Condition 6.3;
- (iii) for the avoidance of doubt, any such adjustment to the Conversion Price shall only be a downward adjustment.

7 PAYMENTS

7.1 Principal and interest

Payment of principal and interest will be made by transfer to the registered account of the Bondholder or by Singapore dollar cheque drawn on a bank in Singapore mailed to the registered address of the Bondholder if it does not have a registered account. Payment of principal and interest will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

7.2 Registered Accounts

For the purposes of this Condition, a Bondholder's registered account means the Singapore dollar account maintained by or on behalf of it with a bank in Singapore, details of which appear on the Register at the close of business on the second business day (as defined below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

7.3 Fiscal Laws

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

7.4 Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a business day, the immediately following business day) or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.

7.5 Default Interest and Delay In Payment

If the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 1.60 per cent. per annum with respect to the Tranche 1 Bonds and 2.90 per cent. per annum with respect to the Tranche 2 Bonds from the due date. Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

7.6 Business Day

In this Condition, “**business day**” means a day other than a Saturday or Sunday on which commercial banks are open for business in Singapore and Hong Kong and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

8 REDEMPTION, PURCHASE AND CANCELLATION

8.1 Maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem the Tranche 1 Bonds at its principal amount plus interest of 0.60 per cent. per annum on a semi-annual basis of its principal amount (the “**Tranche 1 Final Redemption Interest Amount**”) and the Tranche 2 Bonds at its principal amount plus interest of 1.90 per cent. per annum on a semi-annual basis of its principal amount (the “**Tranche 2 Final Redemption Interest Amount**”), on 7 May 2012 (the “**Maturity Date**”). The Tranche 1 Final Redemption Interest Amount and the Tranche 2 Final Redemption Interest Amount are collectively referred to as the “**Final Redemption Interest Amount**”. The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8.2 or Condition 8.3 below (but without prejudice to Condition 10).

8.2 Redemption at the Option of the Issuer

8.2.1 If at any time the aggregate principal amount of the Bonds outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any Bonds issued pursuant to Condition 16), the Issuer shall have the option to redeem such outstanding Bonds in whole but not in part at their principal amount plus interest equal to the applicable Early Redemption Interest Amount (as defined below) (the “**Early Redemption Amount**”). The Issuer will give at least 30 days’ but not more than 60 days’ prior notice to the holders for such redemption.

8.3 Redemption for Taxation Reasons

8.3.1 At any time the Issuer may, having given not less than 30 nor more than 60 days’ notice to the Bondholders (which notice shall be irrevocable) redeem all, and not some only, of the Bonds at their principal amount plus interest equal to the applicable Early Redemption Interest Amount, if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that the Issuer has or will become obliged to pay additional amounts as referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 7 May 2007, and (ii) such obligation 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 Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer (taking reasonable measures available to it) and (b) an opinion of independent legal or tax advisors in Singapore to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective) and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence thereof in which event it shall be conclusive and binding on the Bondholders.

8.3.2 Upon the expiry of any such notice, the Issuer will be bound to redeem the Bonds at their principal amount plus interest equal to the applicable Early Redemption Interest Amount.

8.4 Redemption at the Option of the Bondholders

In respect of the Tranche 1 Bonds only, the Issuer will, at the option of the holder of any Bond, redeem all or some of that holder's Tranche 1 Bonds on 7 May 2010 (the "**Put Option Date**"), at their principal amount plus interest equal to the applicable Early Redemption Interest Amount. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice (the "**Put Option Notice**") together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 20 days prior to the Put Option Date.

A Put Option Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal) and the Issuer shall redeem the Bonds the subject of a Put Option Notice delivered as aforesaid on the Put Option Date.

8.5 Redemption for Change of Control

8.5.1 Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem in whole but not in part such holder's Bonds on the Relevant Event Put Date at their principal amount plus interest equal to the applicable Early Redemption Interest Amount. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent ("**Relevant Event Put Exercise Notice**") together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 17. The "**Relevant Event Put Date**" shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

8.5.2 A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds which form the subject of the Relevant Event Put Exercise Notices delivered as aforesaid on the Relevant Event Put Date.

8.5.3 The Trustee shall not be required to take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred.

8.5.4 Not later than seven days after becoming aware of a Relevant Event, the Issuer shall procure that notice regarding the Relevant Event shall be delivered to Bondholders (in accordance with Condition 17) stating:

- (i) the Relevant Event Put Date;
- (ii) the date of such Relevant Event and, briefly, the events causing such Relevant Event;
- (iii) the date by which the Relevant Event Put Exercise Notice (as defined below) must be given;
- (iv) the redemption amount and the method by which such amount will be paid;
- (v) the names and addresses of all Paying Agents;
- (vi) briefly, the Conversion Right and the then current Conversion Price;
- (vii) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event Put Right or Conversion Right; and
- (viii) that a Relevant Event Put Exercise Notice, once validly given, may not be withdrawn.

8.5.5 For the purposes of this Condition 8:

- (i) **“control”** means the acquisition or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or the right to appoint and/or remove all or the majority of the members of the Issuer’s Board of Directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;
- (ii) a **“Change of Control”** occurs when:
 - (a) other than, directly or indirectly, or as the beneficiary of a trust, acting individually or together, Guoco Group Limited or any of their Affiliates, executors, administrators or successors (collectively, the **“Guocogroup”**); any person or persons, acting together, acquires control of the Issuer; or
 - (b) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other person, unless the consolidation, merger, sale or transfer will not result in any person or persons other than the Guocogroup, acquiring control over the Issuer or the successor entity.

an **“Affiliate”** of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person;

a **“person”** includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s Board of Directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect subsidiaries;

- (iii) **“Relevant Event”** occurs when there has been a Change of Control in the Issuer.
- (iv) **“Early Redemption Interest Amount”** means the Tranche 1 Early Redemption Interest Amount or the Tranche 2 Early Redemption Interest Amount, as the case maybe.
- (v) **“Tranche 1 Early Redemption Interest Amount”** of a Tranche 1 Bond, for each S\$100,000 principal amount of the Bonds, is the amount of interest determined so that, together with the principal amount, it represents for the Bondholder a gross yield of 0.60% per annum on a semi-annual basis. The applicable Early Redemption Interest Amount for each S\$100,000 principal amount of Bonds is calculated on an annual basis in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is the Semi-Annual Date (as set out below), such Early Redemption Interest Amount shall be as set out in the table below in respect of such Semi-Annual Date):

Early Redemption Interest Amount = $(\text{Previous Redemption Interest Amount} \times (1 + r/2)^{d/p}) - \$100,000$.

Previous Redemption Interest Amount = the Early Redemption Interest Amount for each S\$100,000 principal amount on the Semi-Annual Date immediately preceding the date fixed for redemption as set out below (or if the Bonds are to be redeemed prior to 7 November 2007, S\$ Nil)

Semi-Annual Date	Tranche 1 Early Redemption Interest Amount (in S\$)
7 May 2007	Nil
7 November 2007	300
7 May 2008	601
7 November 2008	903
7 May 2009	1,205
7 November 2009	1,509
7 May 2010	1,814
7 November 2010	2,119
7 May 2011	2,425
7 November 2011	2,733
7 May 2012	3,041

$r = 0.60\%$ expressed as a fraction.

d = number of days from and including the immediately preceding Semi-Annual Date (or if the Bonds are to be redeemed on or before 7 November 2007, from and including the Closing Date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

$p = 180$

- (vi) **“Tranche 2 Early Redemption Interest Amount”** of a Tranche 2 Bond, for each S\$100,000 principal amount of the Bonds, is the amount of interest determined so that, together with the principal amount, it represents for the Bondholder a gross yield of 1.90% per annum on a semi-annual basis. The applicable Early Redemption Interest Amount for each S\$100,000 principal amount of Bonds is calculated on an annual basis in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is the Semi-Annual Date (as set out below), such Early Redemption Interest Amount shall be as set out in the table below in respect of such Semi-Annual Date):

Early Redemption Interest Amount = $(\text{Previous Redemption Interest Amount} \times (1 + r/2)^{d/p}) - \text{S\$100,000}$.

Previous Redemption Interest Amount = the Early Redemption Interest Amount for each S\$100,000 principal amount on the Semi-Annual Date immediately preceding the date fixed for redemption as set out below (or if the Bonds are to be redeemed prior to 7 November 2007, S\$ Nil)

Semi-Annual Date	Tranche 2 Early Redemption Interest Amount (in S\$)
7 May 2007	Nil
7 November 2007	950
7 May 2008	1,909
7 November 2008	2,877
7 May 2009	3,854
7 November 2009	4,841
7 May 2010	5,837
7 November 2010	6,843
7 May 2011	7,858
7 November 2011	8,882
7 May 2012	9,917

$r = 1.90\%$ expressed as a fraction.

d = number of days from and including the immediately preceding Semi-Annual Date (or if the Bonds are to be redeemed on or before 7 November 2007, from and including the Closing Date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

$p = 180$

8.6 Delisting Put Right

- 8.6.1 In the event the Shares cease to be listed or admitted to trading on the SGX-ST or, if applicable, the Alternative Stock Exchange (a "**Delisting**") each Bondholder shall have the right (the "**Delisting Put Right**"), at such Bondholder's option, to require the Issuer to redeem all (but not less than all) of such Bondholder's Bonds on the twentieth business day after notice has been given to Bondholders regarding the Delisting referred to under Condition 8.6.2 below or, if such notice is not given, the twentieth business day after the Delisting (the "**Delisting Put Date**") at their Early Redemption Amount (the "**Delisting Put Price**").
- 8.6.2 Promptly after becoming aware of a Delisting, the Issuer shall procure that notice regarding the Delisting Put Right shall be given to Bondholders (in accordance with Condition 17) stating:
- the Delisting Put Date;
 - the date of such Delisting and, briefly, the events causing such Delisting;
 - the date by which the Purchase Notice (as defined below) must be given;
 - the Delisting Put Price and the method by which such amount will be paid;
 - the names and addresses of all Paying Agents;

- vi. briefly, the Conversion Right and the then current Conversion Price;
 - vii. the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Delisting Put Right or Conversion Right; and
 - viii. that a Purchase Notice, once validly given, may not be withdrawn.
- 8.6.3 To exercise its rights to require the Issuer to purchase its Bonds, the Bondholder must deliver a written irrevocable notice of the exercise of such right (a **"Purchase Notice"**), in the then current form obtainable from the specified office of any Agent, to any Paying Agent on any business day prior to the close of business at the location of such Paying Agent on such day and which day is not less than 10 business days prior to the Delisting Put Date.
- 8.6.4 A Purchase Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds, which form the subject of the Delisting Notices delivered as aforesaid on the Delisting Put Date.
- 8.6.5 The Trustee shall not be required to take any steps to ascertain whether a Delisting or any event which could lead to the occurrence of a Delisting has occurred.
- 8.6.6 For the purposes of this Condition, **"business day"** shall mean a day on which commercial banks are open for business in Singapore.

8.7 Redemption following exercise of a Put Option

Upon the exercise of any put option specified in Conditions 8.4, 8.5 or 8.6, payment of the applicable redemption amount shall be conditional upon delivery of the Bondholder's Certificate (together with any necessary endorsements) to any Paying Agent on any business day together with the delivery of any other document(s) required by these Conditions, and will be made promptly following the later of the date set for redemption and the time of delivery of such Certificate. If the Paying Agent holds on the Put Date (as defined below) money sufficient to pay the applicable redemption monies of Bonds for which notices have been delivered in accordance with the provisions hereof upon exercise of such right, then, whether or not such Certificate is delivered to the Paying Agent, on and after such Put Date, (i) such Bond will cease to be outstanding; (ii) such Bond will be deemed paid; and (iii) all other rights of the Bondholder shall terminate (other than the right to receive the applicable redemption monies). **"Put Date"** shall mean the Put Option Date or the Delisting Put Date, as applicable.

8.8 Mandatory Redemption of Bonds in the event Relevant Approvals are not obtained.

In the event that the Issuer does not obtain all or any of the Relevant Approvals by 1 August 2007, (a **"Mandatory Redemption Event"**), the Issuer shall, within one business day after the Mandatory Redemption Event, notify the Bondholders of such Mandatory Redemption Event, and the Issuer shall repurchase all (and not some only) of the Bonds at a price equal to their principal amount plus interest equal to their Early Redemption Interest Amount (the **"Mandatory Redemption Price"**) on the date set by the Issuer for such repurchase (the **"Mandatory Redemption Date"**), which shall be not be more than 15 days following the date on which the Issuer notifies the Bondholders of the Mandatory Redemption Event.

8.9 Purchases

The Issuer or any of its Subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise. Such Bonds may, at the option of the Issuer or the relevant Subsidiary, be held, resold or cancelled. The Bonds so acquired, while held on behalf of the Issuer shall not entitle the holders thereof to convert the Bonds in accordance with these Conditions nor exercise any voting rights with respect to such Bonds.

8.10 Cancellation

All Bonds which are redeemed or converted by the Issuer or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

8.11 Redemption Notices

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition will be given in accordance with Condition 17, and specify the Conversion Price as at the date of the relevant

notice, the closing price of the Shares (as quoted on the SGX-ST) as at the latest practicable date prior to the publication of the notice, the date for redemption, the manner in which redemption will be effected and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

9 TAXATION

- 9.1 All payments of principal and interest made by the Issuer will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Singapore or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Bond:
- 9.1.1 to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Singapore otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- 9.1.2 (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days; or
- 9.1.3 where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Union Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 to 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- 9.1.4 presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond to another Payment Agent or Conversion Agent in a Member State of the European Union.
- 9.2 For the purposes hereof, “**relevant date**” means the date on which such payment first becomes due except that if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and cheques despatched or payment made.
- 9.3 References in these Conditions to principal shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

10 EVENTS OF DEFAULT

- 10.1 The Trustee at its discretion may, and if so requested in writing by the holders of not less than 30 per cent. in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified and/or secured by the Bondholders to its satisfaction), give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amount plus interest equal to

the applicable Early Redemption Interest Amount (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6) if any of the following events has occurred:

- 10.1.1 a default is made by the Issuer in the payment of any principal or Early Redemption Interest Amount due in respect of the Bonds within five business days after the same shall become due and payable in accordance with these Conditions;
- 10.1.2 failure by the Issuer to deliver the Shares within two business days after such Shares are required to be delivered following conversion of a Bond;
- 10.1.3 the Issuer does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Trustee;
- 10.1.4 the Issuer or any Principal Subsidiary is (or is, or would be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops or suspends or threatens to stop or suspend, payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any material 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 in respect of any material part of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of the debts of the Issuer or any of its Principal Subsidiaries;
- 10.1.5 (i) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer or any of its Principal Subsidiaries fails to pay when due (after the expiration of any applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph 10.1.5 have occurred equals or exceeds S\$10 million or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the Singapore dollar as quoted by any leading bank selected by the Trustee on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity);
- 10.1.6 a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries, which is material to the Issuer and its Principal Subsidiaries as a whole, and is not discharged or stayed within 45 days;
- 10.1.7 an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee (such approval not to be unreasonably withheld) or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiaries are transferred to or otherwise vested in the Issuer or any of its Subsidiaries, or (iii) any winding up or dissolution of a Principal Subsidiary which does not involve insolvency or not adversely affect the payment obligations under the Bonds and the Trust Deed;
- 10.1.8 an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries (as the case may be) and is not discharged or stayed within 45 days;

- 10.1.9 it is or will become unlawful for the Issuer to perform or comply with any one or more of its material obligations under any of the Bonds or the Trust Deed;
- 10.1.10 all or a substantial part of the assets of the Issuer or any of its Principal Subsidiaries is seized compulsorily acquired, expropriated or nationalised, which adversely affects the ability of the Issuer to perform or observe its obligations under the Bonds or the Trust Deed;
- 10.1.11 If for whatever reason, the Issuer is unable to satisfy in full any Conversion Rights attaching to the Bonds;
- 10.1.12 any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

“Subsidiary” or **“subsidiary”** has the meaning given to **“subsidiary”** in Section 5 of the Companies Act, Chapter 50 of Singapore.

- 10.2** Notwithstanding receipt of any payment after the acceleration of the Bonds, a Bondholder may exercise its Conversion Right by depositing a Conversion Notice with a Conversion Agent or Paying Agent during the period from and including the date of a default notice with respect to an event specified in Condition 10.1.2 or Condition 10.1.11 (at which time the Issuer will notify the Bondholders of the number of Shares per Bond to be delivered upon conversion, assuming all the then outstanding Bonds are converted) to and including the 30th business day after such payment.

If any converting Bondholder deposits a Conversion Notice pursuant to this Condition 10 in the business day prior to, or during, a Closed Period, the Bondholder's Conversion Right shall continue until the business day following the last day of the Closed Period, which shall be deemed the Conversion Date, for the purposes of such Bondholder's exercise of its Conversion Right pursuant to this Condition 10.

If the Conversion Right attached to any Bond is exercised pursuant to this Condition 10, the Issuer will deliver Shares (which number will be disclosed to such Bondholder as soon as practicable after the Conversion Notice is given) in accordance with the Conditions, except that the Issuer shall have twelve business days before it is required to register the converting Bondholder (or its designee) in its register of members as the owner of the number of Shares to be delivered pursuant to this Condition and an additional five business days from such registration date to make payment in accordance with the following paragraph.

If the Conversion Right attached to any Bond is exercised pursuant to this Condition 10, the Issuer shall, at the request of the converting Bondholder, pay to such Bondholder an amount in Singapore dollars (the **“Default Cure Amount”**), equal to the product of (x) (i) the number of Shares that are required to be delivered by the Issuer to satisfy the Conversion Right in relation to such converting Bondholder minus (ii) the number of Shares that are actually delivered by the Issuer pursuant to such Bondholders' Conversion Notice and (y) the Share Price (as defined below) on the Conversion Date; provided that if such Bondholder has received any payment under the Bonds pursuant to this Condition 10, the amount of such payment shall be deducted from the Default Cure Amount.

The **“Share Price”** means the closing price of the Shares as quoted by the SGX-ST or, as the case may be, Alternative Stock Exchange on the Conversion Date or, if no reported sales take place on such date, the average of the reported closing bid and offered prices, in either case as reported by the SGX-ST or other applicable securities exchange on which the Shares are listed for such day as furnished by a reputable and independent broker-dealer selected from time to time by the Trustee at the expense of the Issuer for such purpose.

11 CONSOLIDATION, AMALGAMATION OR MERGER

The Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "**Merger**"), unless:

- (i) the corporation formed by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental trust deed, all obligations of the Issuer under the Trust Deed and the performance of every covenant and agreement applicable to it contained therein;
- (ii) immediately after giving effect to any such Merger, no Default or Event of Default shall have occurred or be continuing or would result therefrom; and
- (iii) the corporation formed by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal and premium on the Bonds.

12 PRESCRIPTION

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years from the relevant date (as defined in Condition 9) in respect thereof.

13 ENFORCEMENT

At any time after the Bonds have become due and repayable, the Trustee may, at its discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (ii) it shall have been indemnified and/or secured to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

14 MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

14.1 Meetings

The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing over 50 per cent. in principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Bonds, (ii) to reduce or cancel the amount of principal in respect of the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify or cancel the Conversion Rights or the put options specified in Condition 8 to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66 per cent., or at any adjourned such meeting not less than 33 per cent., in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

14.2 Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Condition 14.1 above) to, or the waiver or authorisation of any breach or proposed breach of, the Bonds, the Agency Agreement or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Issuer to the Bondholders as soon as practicable thereafter.

14.3 Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Bondholders, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Bonds. In such event, the Issuer shall give notice to Bondholders in accordance with Condition 17.

14.4 Interests of Bondholders

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation, waiver or substitution) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Condition 9 and/or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

14.5 Certificates/Reports

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee and/or the Issuer in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

15 REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and such Agent may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

16 FURTHER ISSUES

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

17 NOTICES

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the register of Bondholders maintained by the Registrar or published in a leading newspaper having general circulation in Asia (which is expected to be the *Asian Wall Street Journal*) and, so long as the

Bonds are listed on the SGX-ST and the rules of that Exchange so require, published in a leading newspaper having general circulation in Singapore (which is expected to be the *Business Times*). Such notices shall be deemed to have been given on the later of the date of such publications. Any such notice shall be deemed to have been given on the later of the date of such publication and the seventh day after being so mailed, as the case may be, provided that if the Bonds are represented by Global Certificates held on behalf of Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (as the case may be), notices required to be given to the Certificate holders may be given by their being delivered to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (as the case may be), rather than by mail or publication as aforesaid. Any such notice will be deemed to have been given at 1700 hours on the day the relevant clearing system receives such notice.

18 AGENTS

The names of the initial Agents and the Registrar and their specified offices are set out below. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent or the Registrar and to appoint additional or other Agents or a replacement Registrar. The Issuer will at all times maintain (i) a Principal Agent, (ii) a Registrar, (iii) an Agent having a specified office in a major financial centre in Europe, (iv) a Paying Agent and Conversion Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Union Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 to 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive and (v) an Agent in Singapore. Notice of any such termination or appointment, of any changes in the specified offices of any Agent or the Registrar and of any change in the identity of the Registrar or the Principal Agent will be given promptly by the Issuer to the Bondholders in accordance with Condition 17 and in any event not less than 45 days' notice will be given.

19 INDEMNIFICATION

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 Trustee is entitled to enter into business transactions with the Issuer without accounting for any profit.

20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Bond under the Contracts (Rights of Third Parties) Act 1999.

21 GOVERNING LAW

The Bonds, the Trust Deed and the Agency Agreement are governed by, and shall be construed in accordance with, the laws of England. In relation to any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds the Issuer has in the Trust Deed irrevocably submitted to the courts of Singapore.

Summary of Provisions Relating to the Bonds While in Global Form

The Global Certificates contain provisions which apply to the Bonds in respect of which the Global Certificates are issued, some of which modify the effect of the terms and conditions of the Bonds (the “**Conditions**” or the “**Terms and Conditions**”) set out in this Offering Circular. Terms defined in the Terms and Conditions have the same meaning in the paragraphs below. The following is a summary of certain of those provisions:

Registration of Title

Owners of interests in the Bonds in respect of which the Global Certificates are issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive certificates (“**Definitive Certificates**”) if either Euroclear or Clearstream, Luxembourg (or any other clearing system (an “**Alternative Clearing System**”) as shall have been designated by the Issuer and approved by the Trustee (such approval not to be unreasonably withheld or delayed) on behalf of which the Bonds evidenced by the Global Certificates may be held) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In such circumstances, the Issuer will at its own expense cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds following surrender of the Global Certificates. A person with an interest in the Bonds in respect of which the Global Certificates are issued must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

Meetings

A registered holder (as defined in the Conditions) of a Global Certificate will be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each S\$100,000 in principal amount of the Bonds for which the Global Certificate is issued. The Trustee may (but is not obliged to) allow a person with an interest in the Bonds in respect of which the Global Certificate has been issued to attend and speak at a meeting of Bondholders on appropriate proof of his identity and interest.

Cancellation

Cancellation of any Bond by the Issuer following its redemption, conversion or purchase will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

Trustee’s Powers

In considering the interests of Bondholders while the Global Certificates are registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it is appropriate to do so in the circumstances, but shall not be obliged to, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

Conversion

Subject to the requirements of Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System), the Conversion Rights attaching to the Bonds in respect of which the Global Certificates are issued may be exercised by the presentation thereof to or to the order of the Conversion Agent of one or more Conversion Notices duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of the Global Certificates with the Conversion Agent together with the relevant Conversion Notices shall not be required. In such a case, the delivery of the Conversion Notice will constitute or be deemed to constitute confirmation by the beneficial owner of the Bonds to be converted that the information and representations in the Conversion Notice are true and accurate on the date of delivery. The exercise of the Conversion Right shall be notified by the Conversion Agent to the Registrar and the holder of the Global Certificates.

Mandatory Conversion at the Option of the Issuer

The Issuer's option to convert the Bonds pursuant to Condition 6.1.6 may be exercised by the Issuer giving notice to the Bondholders within the time limits set out in the abovenamed Condition. The Registrar shall reduce the principal amount of the Bonds evidenced by the Global Certificates by making appropriate endorsements to Schedule A to reflect the principal amount of Bonds in respect of which the Issuer has duly exercised its option to convert the Bonds in accordance with Condition 6.1.6.

Payment

Payments of principal, default interest (if any) and interest (if any) in respect of the Bonds represented by the Global Certificates will be made without presentation or if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificates to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose.

Notices

So long as the Bonds are represented by the Global Certificates and the Global Certificates are held on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

Bondholder's Redemption

The Bondholder's redemption options in Conditions 8.4, 8.5 and 8.6 may be exercised by the holders of the Global Certificates giving notice to the Principal Paying Agent of the principal amount of the Bonds in respect of which the option is exercised and presenting the Global Certificates for endorsement or exercise within the time limits specified in the Conditions.

Redemption at the Option of the Issuer

The option of the Issuer provided for in Condition 8.2 shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by that Condition 8.2 and Condition 8.11.

Registration of Title

Certificates in definitive form for individual holdings of Bonds will not be issued in exchange for interests in Bonds in respect of which the Global Certificates are issued, except if either Euroclear or Clearstream, Luxembourg (or any Alternative Clearing System) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Transfers

Transfers of interests in the Bonds will be effected through the records of Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (or any Alternative Clearing System) and their respective direct and indirect participants.

Enforcement

For all purposes, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg (or of any Alternative Clearing System) as a holder of a particular principal amount of Bonds in respect of which Global Certificates have been issued, (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or any Alternative Clearing System as to the principal amount of Bonds represented by Global Certificates standing to the account of any person shall be conclusive and binding for all purposes) shall be recognised as the holder of such principal amount of Bonds.

Clearance and Settlement

Custodial and depository links have been established with Euroclear and Clearstream, Luxembourg, to facilitate the initial issue of the Bonds and transfers of the Bonds associated with secondary market trading.

The Clearing Systems *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg, each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book entry of changes in the accounts of their participants. Euroclear and Clearstream, Luxembourg, provide their respective participants with, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. 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 others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly. Distributions of principal with respect to book-entry interests in the Bonds held through Euroclear or Clearstream, Luxembourg, will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Registration and Form

Book-entry interests in the Bonds held through Euroclear and Clearstream, Luxembourg, will be evidenced by the Global Certificates, registered in the name of a nominee of the common depository of Euroclear and Clearstream, Luxembourg. The Global Certificates will be held by a common depository for Euroclear and Clearstream, Luxembourg. Beneficial ownership in the Bonds will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg. The aggregate holdings of book-entry interests in the Bonds in Euroclear and Clearstream, Luxembourg, will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Bonds, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interest in the Bonds. The Principal Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Bonds holding through Euroclear and Clearstream, Luxembourg, are credited to Euroclear or Clearstream, Luxembourg, as the case may be. The Issuer will not impose any fees in respect of the Bonds. However, holders of book-entry interest in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

Global Clearance and Settlement Procedures

Initial Settlement

Interests in the Bonds will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Bonds through Euroclear and Clearstream, Luxembourg, accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Bonds will be credited to Euroclear participant securities clearance accounts on the business day following the Closing Date against payment (for value the Closing Date), and to Clearstream, Luxembourg participant securities custody accounts on the Closing Date against payment in same-day funds.

Description of Shares

The following statements are brief summaries of the capital structure of the Issuer and of the more important rights and privileges of shareholders conferred by the laws of Singapore and the Memorandum and Articles of Association of the Issuer. These statements summarise certain material provisions of the Memorandum and Articles of Association of the Issuer but are qualified in their entirety by reference to the said Memorandum and Articles of Association and Singapore law.

Incorporation of the Issuer

The Issuer was incorporated in Singapore as a private limited company on 31 March 1976. It was converted to a public company on 30 September 1978 and its shares were listed on the SGX-ST on 14 November 1978.

Classes of Shares

As at the Latest Practicable Date, there is only one class of ordinary shares in the Issuer. The Articles of Association of the Issuer provide that, subject to the Articles of Association and the Companies Act, the Issuer may issue shares with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors think fit. In particular, the Issuer may issue preference shares which are or at the option of the Issuer are, liable to, be redeemed. No shares with preferred, deferred or other rights or restrictions are in issue or are resolved to be issued.

The rights and privileges attached to the Shares and the consents necessary for the variation of such rights are stated in the Articles of Association of the Issuer.

New Shares

New Shares may only be issued with the prior approval of shareholders of a company in general meeting, save that such approval will not be required if shareholders had, by ordinary resolution in a general meeting, given a general mandate to the directors of the company to issue (amongst other things) shares or convertible securities ("**General Mandate**"). Under the rules of the SGX-ST, as set out in the Listing Manual of the SGX-ST and as amended or modified from time to time (the "**Singapore Listing Rules**"), the aggregate number of shares and convertible securities to be issued pursuant to a General Mandate must be limited to not more than 50% (or such other limit as may be prescribed by the SGX-ST) of the issued share capital of a company whose shares are listed on the SGX-ST, of which the aggregate number of shares and convertible securities issued other than on a *pro rata* basis to existing shareholders must be not more than 20% (or such other limit as may be prescribed by the SGX-ST) of the issued share capital, such percentages to be calculated based on the issued share capital of the company as at the time of the passing of the resolution approving the General Mandate as adjusted in accordance with the Singapore Listing Rules.

At the annual general meeting of the Issuer held on 20 October 2006, a general mandate was given by shareholders of the Issuer for the issue of shares of up to 10% of the issued share capital of the Issuer for the time being. The approval will lapse at the earlier of the conclusion of the annual general meeting commencing next after the date on which the approval was given, or the expiration of the period within which the next annual general meeting of the Issuer after that date is required by law to be held. Subject to the foregoing, the provisions of the Companies Act, the Articles of Association of the Issuer and any special rights attached to any class of shares currently issued, the Board of Directors of the Issuer determines the allotment and issue of all new Shares and may impose such rights and restrictions as they think fit.

Shareholders

Only persons who are registered on the Register of Members of the Issuer and, in cases in which the person so registered is The Central Depository (Pte) Limited ("**CDP**"), the persons named as the depositors in the depository register maintained by CDP for the Shares and whose securities accounts maintained with CDP are credited with such Shares, are recognised as the shareholders of the Issuer. The Issuer will not, except as required by law, recognise any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or other rights in respect of any share other than the absolute right to the entirety thereof in the registered holder.

The Issuer may close its Register of Members at any time or times if it provides the SGX-ST with at least 10 clear market days' notice. Under its Articles of Association, the Issuer may close its Register of Members at any time or times and for such period if it provides the SGX-ST with notice of such closure as may be required. The registers may not be closed for more than 30 days in aggregate in any calendar year.

Liquidation or other Return of Capital

In the event of the liquidation of the Issuer or in the event of any other return of capital, holders of the Shares will be entitled to participate in the distribution of any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Substantial Shareholding

Under the Companies Act and the SFA, a substantial shareholder is required to give notice in writing to the Issuer and the SGX-ST of the particulars of the voting shares in the Issuer in which he has an interest, including the circumstances by reason of which he has such interest, within two business days of him becoming a substantial shareholder of the Issuer and of any change in the percentage level of his interest.

Under the Companies Act, a person has a substantial shareholding in a company if he has an interest or interests in one or more voting shares in that company and the total votes attached to that share, or those shares, is not less than 5% of total votes attached to all the voting shares in that company.

"Percentage level", in relation to a substantial shareholder, means the percentage figure ascertained by expressing the total votes attached to all the voting shares in which the substantial shareholder has an interest or interests immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to all the voting shares in the company or where the share capital of the company is divided into two or more classes of shares, all the voting shares included in the class concerned, and if it is not a whole number, rounding that figure down to the next whole number.

Minority Rights

The rights of minority shareholders and holders of debentures of Singapore-incorporated companies are protected under, *inter alia*, Section 216 of the Companies Act. Section 216 gives the Singapore courts the power to make certain orders upon application by (*inter alia*) minority shareholders or debenture holders. Minority shareholders or debenture holders may apply to the Singapore courts for an order under the section on the ground(s) that (a) the affairs of the company are being conducted or the powers of the directors are being exercised in a manner oppressive to one or more of the members or holders of debentures including himself or in disregard of his or their interests as members, shareholders or holders of debentures of the company; or (b) that some act of the company has been done or is threatened or that some resolution of the members, holders of debentures or any class of them has been passed or is proposed which unfairly discriminates against or is otherwise prejudicial to one or more of the members or holders of debentures (including himself).

If, on such application, the Singapore Court is of the opinion that either of the above grounds is established, it may, with a view to bringing to an end or remedying the matters complained of, make such order as it thinks fit and without prejudice to the generality of the foregoing, the order may:

- direct or prohibit any act or cancel or vary any transaction or resolution;
- regulate the conduct of the affairs of the company in future;
- authorise civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the Singapore Court may direct;
- provide for the purchase of the shares or debentures of the company by other members or holders of debentures of the company or by the company itself;

- in the case of a purchase of shares by the company, provide for a reduction accordingly of the company's capital; or
- provide that the company be wound up.

Dividends

The Issuer may, by ordinary resolution of its shareholders, declare dividends but it may not pay dividends in excess of the amount recommended by its Directors. The Directors may also declare an interim dividend without the approval of shareholders. It must pay all dividends out of its profits; however, the Issuer may capitalise its reserves or profit and apply it to pay dividends, if such dividends are satisfied by the issue of shares to the shareholders. All dividends are paid *pro rata* amongst the shareholders according to the amounts paid or credited as paid on the Shares, unless the rights attaching to an issue of any Share provide otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to the registered address (as they appear in the Register of Members or the depository register maintained by the CDP) of the shareholder entitled thereto. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing, the payment by the Issuer to the CDP of any dividend payable to a depositor shall, to the extent of the payment made to the CDP, discharge the Issuer from any liability to the depositor in respect of that payment.

Exercise of Voting Power

A holder of Shares is entitled to attend, speak and vote at any general meeting, in person or by proxy. A proxy need not be a shareholder. A person who holds Shares through the book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting.

Under the Articles of Association of the Issuer, on a show of hands, every member who is present in person or by proxy or by attorney or in the case of a corporation, by a representative, shall have one vote and on a poll, every shareholder who is present in person or by proxy or by attorney or in the case of a corporation, by a representative, shall have one vote for every share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all shareholders having the right to vote at the meeting. In the case of an equality of votes, the chairman of the meeting shall be entitled to a casting vote.

Annual and Extraordinary General Meetings

The Issuer is required to hold an annual general meeting every year (within a period of not more than fifteen months after the holding of the last preceding annual general meeting). The Board of Directors may convene an extraordinary general meeting whenever it thinks fit, and must do so on the requisition of shareholders holding not less than 10% of the total voting rights of all shareholders as at the date of the deposit of the requisition. In addition, two or more shareholders holding not less than 10% of the total number of issued shares of the company may call a meeting.

Unless otherwise required by law, the Articles of Association of the Issuer or the Singapore Listing Rules, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of directors, adoption of accounts and payment of dividends. A special resolution, requiring the affirmative vote of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including without limitation, voluntary winding up, amendments to the Memorandum and Articles of Association, a change of the corporate name of the company and a reduction in its share capital.

Notice of General Meetings

Subject to the Companies Act, a company must give at least 14 days' and (in the case of a public company) 21 days' notice in writing for every general meeting convened for the purposes of passing an ordinary resolution or a special resolution, respectively. Under the Articles of Association of the Issuer, subject to the provisions of the Companies Act as to special resolutions and notice thereof, at least 14 days' notice in writing shall be given by advertisement in the daily press and in writing to the SGX-ST, and must set forth the place, the day and hour of the meeting and, in the case of special business, the general nature of that business.

Quorum at General Meetings

The Articles of Association of the Issuer provide that three shareholders must be present in person, by proxy or by attorney, or in the case of a corporation, by a representative, to constitute a quorum at any general meeting.

Take-overs

The Take-over Code regulates the acquisition of, among other things, shares of public listed companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of these companies.

Under the Take-over Code, except with the consent of the Securities Industry Council of Singapore, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1% of the voting rights,

such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer. The attention of bondholders is drawn to the above. Bondholders should consider the implications of the relevant provisions of the Take-over Code relating to mandatory offer obligations (as highlighted above) before they exercise their Bonds. Bondholders are advised to consult their own professional advisers if they are in any doubt as to the course of action that they should take.

Certain persons are presumed (unless the contrary is established) to be acting in concert with each other as follows:

- a company and its related companies, associated companies of such company or its related companies, companies whose associated companies include such company or its related companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned persons for the purchase of voting rights;
- a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- a company with any of its pension funds and employee share schemes;
- a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

- a financial or other professional adviser, including a stockbroker, with its clients in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- partners; and
- an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions, companies controlled by such individual and his close relatives, related trusts and any person who is accustomed to act in accordance with his instructions, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned persons for the purchase of voting rights.

Subject to certain exceptions, a mandatory general offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror for voting rights of the offeree company during the offer period and within the six months prior to its commencement.

Where a general offer is made for the voting shares of a company, and that company has instruments convertible into, rights to subscribe for and options in respect of shares being offered for or which carry voting rights outstanding, the Take-over Code requires the offeror to make an appropriate offer or proposal to the holders of such instruments convertible into, rights to subscribe for and options in respect of shares being offered for or which carry voting rights. Therefore, where a person on his or her own or together with parties acting in concert with him or her, makes a general offer for the voting Shares of the Issuer, and there are Bonds outstanding, that person must, on his or her own or together with parties acting in concert with him or her, as the case may be, in accordance with the Take-over Code, make an appropriate offer or proposal to the holders of the outstanding Bonds. Under the Take-over Code, an appropriate offer to the holders of outstanding Bonds is at least the higher of the "see-through" price (the offer price of the voting Shares multiplied by the conversion ratio of the Bonds) and the highest price paid by the person making the general offer and parties acting in concert with him or her for the Bonds, depending on the type of general offer, within six months or three months of commencement of the general offer.

Under the Take-over Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror is required to treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the general offer must be given sufficient information, advice and time to consider and decide on the general offer.

Bonus and Rights Issue

The Directors may, with approval by the shareholders at a general meeting, capitalise any reserves or profits and distribute the same as bonus Shares credited as paid-up to the shareholders in proportion to their shareholdings. The Directors may also issue rights to take up additional Shares to shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which the Issuer is listed.

Limitation on Rights to Hold or Vote Shares

Except as described in "Transfer of shares", "Exercise of Voting Power" and "Take-overs" above, Singapore law generally and the Articles of Association of the Issuer do not impose any limitations on the rights of shareholders to hold the Shares or to vote.

Transfer of Shares

There is no restriction on the transfer of fully paid-up shares except where required by law or the Articles of Association of the Issuer or the Singapore Listing Rules or the rules or by-laws of any securities exchange on which the Issuer is listed. The Directors may decline to register any transfer of shares which are not fully paid-up shares or on which the Issuer has a lien. A shareholder may transfer shares registered in its own name by means of a duly signed instrument of transfer in a form approved by any securities exchange on which the Issuer is listed. The Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. A shareholder may transfer any shares held through the CDP book-entry settlement system by way of a book-entry transfer without the need for any instrument of transfer.

The Issuer will replace lost or destroyed certificates for shares provided that the applicant pays a fee which will not exceed S\$1.00, and furnishes any evidence and a letter of indemnity that the Directors may require.

Taxation

The following is a discussion of certain tax matters arising under the current tax laws of Singapore and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force as at the date of this Offering Circular, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur, changes which could be retrospective in effect.

The discussion is limited to a summary of certain tax considerations in Singapore with respect to the subscription for and conversion of the Bonds and ownership and disposal of the shares by investors (either individuals or corporations), and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to a decision to subscribe to, own, dispose of or convert the Bonds or own or dispose of the Shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective investors are advised to consult their tax advisors regarding the overall tax consequences of ownership of the Bonds and Shares.

It is emphasised that neither the Issuer, the Directors nor any other persons involved in the offering accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding, disposal or conversion of our Bonds and ownership and disposal of the Shares.

Singapore Tax

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore, announced 2007 Budget measures and administrative guidelines issued by the relevant authorities in force as of the date of this Offering Circular and are subject to the enactment of such budget measures, and any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines 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. The following is a summary of the material Singapore tax consequences to a holder of the Bonds and a holder of Shares. The statements below are not to be regarded as advice on the tax position of any holder of the Bonds or Shares or of any person acquiring, selling or otherwise dealing with the Bonds or Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds or Shares. The statements made herein do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds or Shares and do not purport to deal with the tax consequences applicable to all categories of investors some of which (such as dealers in securities) may be subject to special rules. Prospective holders of the Bonds or Shares are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposition of the Bonds or Shares including, in particular, the effect of any foreign state or local tax laws to which they are subject.

General

Singapore adopts a modified territorial basis of taxation under which tax is levied on all income sourced in Singapore. Foreign-sourced income is taxed only when received or deemed received in Singapore by tax residents or corporations carrying on business in Singapore. However, there are exemptions available in respect of certain foreign-sourced income that is repatriated under certain circumstances (this is subject to the satisfaction of conditions).

The prevailing corporate tax rate for the Year of Assessment ("YA") 2007 is 20 per cent¹. In addition, subject to certain conditions, there is a partial tax exemption on the first S\$100,000 of normal chargeable income² (excluding Singapore franked dividend) derived by a taxpayer. New companies that meet certain qualifying conditions enjoy full tax exemption of up to S\$100,000 of their normal chargeable income (excluding Singapore franked dividends) for each of the first 3 consecutive years of assessment³.

Resident individuals are taxed at graduated scale rates that range from 0 to 20 per cent. (effective from the YA 2007) and are entitled to personal reliefs. Income received by non-resident individuals is taxed at the following rates:

- For employment income, it will be taxed at 15 per cent (without personal reliefs) or resident rates (i.e. at graduated scale rates ranging from 0 to 20 per cent, with personal reliefs), whichever is higher; and
- For all other non-employment income, it will be taxed at a flat rate of 20 per cent.

There are tax reliefs accorded to non-resident individuals under certain circumstances.

Capital Gains

Any gains considered to be capital in nature arising from the sale of the Bonds and/or the Shares will not be taxable in Singapore. However, any gains from the sale of the Bonds and/or the Shares which constitute 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.

Residence

Non-residents with no permanent establishment or business presence in Singapore would not normally be subject to income tax in Singapore on their investments. However, withholding tax may apply to various types of payments (e.g. interest, royalties, management fees, etc.) received by non-residents that are sourced or deemed sourced in Singapore under domestic tax laws.

A company is regarded as a resident if the management and control of its business are exercised in Singapore. Generally, management and control of its affairs are exercised at the place where the company's board meetings are held.

The rules regarding the residence of individuals are generally based upon certain quantitative factors (such as the length of time spent in Singapore) and qualitative factors (such as place of natural abode, family ties in Singapore, permanent home, etc.).

Withholding Tax

Under current Singapore tax laws, the following payments falling under Section 12(6) of the Singapore Income Tax Act ("SITA") are deemed to be derived from Singapore:

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

1 In 2007 Budget, the Minister for Finance proposed that the corporate tax rate would be reduced from 20 per cent to 18 per cent with effect from the YA 2008. This proposed change has to-date not been promulgated as law.

2 In 2007 Budget, the Minister for Finance proposed that the partial tax exemption would be increased to S\$300,000 of normal chargeable income (excluding Singapore franked dividends) with effect from the YA 2008. Under such circumstances, the first S\$10,000 of normal chargeable income (excluding Singapore franked dividends) would enjoy 75 per cent tax exemption, whilst any remaining normal chargeable income (excluding Singapore franked dividends) (up to a maximum of S\$290,000) would be accorded 50 per cent tax exemption. Notwithstanding, this proposed change has to-date not been promulgated as law.

3 Prior to 2007 Budget, the full income exemption is applicable only to the company's first three consecutive YAs falling within the period from YAs 2005 to 2009. The removal of the YA 2009 expiry date as proposed in 2007 Budget has to-date not been promulgated as law.

Payments under Section 12(6) of the SITA which are deemed derived from Singapore and made to persons not known to the paying party to be resident in Singapore for tax purposes are subject to withholding tax in Singapore at the rate of 15 per cent. The 15 per cent tax rate may be reduced by applicable avoidance of double taxation agreements concluded between Singapore and the relevant countries. However, if the payment is derived by a person not resident in Singapore from its trade, business, profession or vocation carried on or exercised in Singapore or is effectively connected with any permanent establishment in Singapore of that person, the withholding tax rate is 18 per cent with effect from the YA 2008 (excluding payments made to non-resident individuals / Hindu Joint Families⁴).

Estate Duty

Singapore estate duty is imposed on the value of immovable property situated in Singapore and movable property, wherever it may be situated, passing on the death of an individual domiciled in Singapore.

Accordingly, the Bonds or Shares (which are regarded as moveable assets for estate duty purposes) passing upon the death of an individual domiciled in Singapore are subject to Singapore estate duty upon such individual's death. Singapore estate duty is payable to the extent that the value of the Bonds and/or Shares aggregated with any other moveable assets subject to Singapore estate duty exceeds S\$600,000.

Subject to certain other exemptions, for example the separate exemption limit for residential properties, any excess beyond S\$600,000 will be levied at a rate of 5 per cent on the first S\$12,000,000 of the individual's chargeable assets and at a rate of 10 per cent thereafter.

Estate duty, however, is not imposed on movable properties in Singapore passing on the death on or after 1 January 2002, of persons who are not domiciled in Singapore. Accordingly, where an individual holder of the Bonds or Shares is not domiciled in Singapore at the time of the individual's death, the Bonds or Shares will not be subject to Singapore estate duty.

Prospective purchasers of the Bonds who are individuals, whether or not domiciled in Singapore, should consult their own tax advisors regarding the Singapore estate duty consequences of their investment.

Taxation of the Bonds

Income Tax

General

It is intended that the Bonds will be Qualifying Debt Securities for the purposes of Section 13(16) of the SITA, Chapter 134 of Singapore. Accordingly, the Singapore income tax implications are as follows:

- Where interest or, if any, discount income (not including discount income from secondary trading) ("**Discount**") is derived from the Bonds by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption in this paragraph does not apply;
- If the non-resident person acquires the Bonds using funds from Singapore operations, interest and Discount, if any, on the Bonds received by such a holder who does not have a permanent establishment in Singapore is exempt from Singapore income tax; and
- Non-residents who have permanent establishments in Singapore can also benefit from this exemption provided that they do not acquire the Bonds using any funds from Singapore operations. Funds from Singapore operations means, in relation to a person, the funds and profits of that person's operations through a permanent establishment in Singapore

4 The proposed reduction in the withholding tax rate to 18 per cent with effect from the YA 2008 on certain payments made to non-resident persons (other than non-resident individuals/Hindu joint families) in 2007 Budget has to-date not been promulgated as law.

In addition, any person whose interest or Discount, if any, derived from the Bonds is not exempt from tax shall include such interest or Discount, if any, in a return of income made under the SITA.

Gains on disposal (including by way of conversion) of the Bonds

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains arising from the disposal of the Bonds may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller of Income Tax (the "**Comptroller**") would regard as the carrying on of a trade or business in Singapore.

Certain tax consequences of a conversion of Bonds

A conversion of Bonds into Shares may be regarded as a disposal of the Bonds for Singapore income tax purposes and a Bondholder may consequently need to recognise a gain or loss upon the conversion of Bonds into Shares. Such gain or loss may be income or capital in nature depending on the circumstances of the holder (e.g. whether he is trading in securities) and may or may not be taxable or deductible accordingly. In addition, it is not entirely clear whether the value of the Shares at the relevant time would be regarded as the proceeds of such disposal to be used to compute the gain or loss upon the conversion of Bonds into Shares.

Investors are advised to seek their own tax advice on the tax consequences to them of a conversion of the Bonds into Shares. Holders of the Bonds and/or Shares who are adopting Financial Reporting Standard 39 ("**FRS 39**") for Singapore income tax purposes may be required to recognise gains or losses on the Bonds, irrespective of disposal of the Bonds, in accordance with FRS 39. Please see the section on "Adoption of FRS 39 treatment for Singapore income tax purposes".

Interest payments

Under the current Singapore income tax legislation, payments falling within Section 12(6) of the SITA (including interest) are deemed to be derived from Singapore where the payments are:

- (a) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of a business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore);
- (b) deductible against any income accruing in or derived from Singapore; or
- (c) income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Further, where such payments are made to a person not known to be a resident in Singapore for tax purposes, such payments are subject to withholding tax in Singapore at the rate of 15 per cent. The 15 per cent tax rate may be reduced by applicable avoidance of double taxation agreements concluded between Singapore and the relevant countries. However, if the payment is derived by a person not resident in Singapore from its trade, business, profession or vocation carried on or exercised in Singapore or is effectively connected with any permanent establishment in Singapore of that person, the withholding tax rate is 18 per cent with effect from the YA 2008 (excluding payments made to non-resident individuals / Hindu Joint Families⁵).

Relief from taxation

1. Singapore-sourced investment income derived by individuals

Certain Singapore-sourced investment income derived by individuals on or after 1 January 2004 from financial instruments is exempt from tax, including:

- (a) interest from debt securities; and

5 The proposed reduction in the withholding tax rate to 18 per cent with effect from the YA 2008 on certain payments made to non-resident persons (other than non-resident individuals/Hindu joint families) in 2007 Budget has to-date not been promulgated as law.

- (b) discount income (not including discount income from secondary trading) from debt securities issued on or after 17 February 2006⁶.

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

2. Qualifying Debt Securities scheme

As J.P. Morgan (S.E.A.) Limited, the sole bookrunner and arranger of the Bonds, is a Financial Sector Incentive (Bond Market) Company (as defined in the SITA), the Issuer believes that the Bonds would be Qualifying Debt Securities for the purposes of Section 13(16) of the SITA to which the following treatments apply:

- (a) subject to certain conditions having been fulfilled (including the submission by or on behalf of the Issuer of a Return on Debt Securities to the MAS and the Comptroller within one month from the date of issue of the Bonds and subject to the Issuer including in all offering documents relating to the Bonds a statement to the effect that where interest or, if any Discount is derived from the Bonds by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption in this paragraph does not apply if such person acquires the Bonds using funds from Singapore operations), interest and Discount, if any, on the Bonds received by a holder who is not resident in Singapore and who does not have a permanent establishment in Singapore is exempt from Singapore income tax. Non-residents who have permanent establishments in Singapore can also benefit from this exemption provided that they do not acquire the Bonds using any funds from Singapore operations. Funds from Singapore operations means, in relation to a person, the funds and profits of that person's operations through a permanent establishment in Singapore;
- (b) subject to certain conditions having been fulfilled (including the submission by or on behalf of the Issuer of a return on debt securities to the MAS and the Comptroller within one month from the date of issue of the Bonds) interest and Discount, if any, on the Bonds received by any company in Singapore is subject to income tax at a concessionary rate of 10 per cent.;
- (c) interest and Discount, if any, on the Bonds received by any body of persons (as defined in the SITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent.; and
- (d) subject to:
 - (i) the Issuer including in all offering documents relating to the Bonds a statement to the effect that any person whose interest or Discount, if any, derived from the Bonds is not exempt from tax shall include such interest or Discount, if any, in a return of income made under the SITA; and
 - (ii) the Issuer or such other person as the Comptroller may direct, furnishing to the Comptroller a return on the debt securities within one month from the date of issue of the Bonds and such other particulars in connection with those Bonds as the Comptroller may require,

interest or Discount, if any, derived from the Bonds is not subject to the withholding of tax by the Issuer.

It has been announced in 2007 Budget that the above tax exemption and concessionary tax rate on income derived from qualifying debt securities would also apply to redemption premium, prepayment fees and break costs derived by investors pursuant to their investments in qualifying debt securities issued on or after 15 February 2007, subject to conditions yet to be specified⁷.

6 Whilst this was proposed in 2006 Budget, it has to-date not been promulgated as law.

7 Please that the aforesaid expansion of the scope of the Qualifying Debt Securities incentive has to-date not been promulgated as law.

However, notwithstanding the foregoing:

- (i) if during the primary launch of the Bonds, the Bonds are issued to fewer than four persons and 50 per cent or more of the issue of the Bonds is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Bonds would not qualify as Qualifying Debt Securities; and
- (ii) even though the Bonds are “Qualifying Debt Securities”, if, at any time during the tenure of the Bonds, 50 per cent or more of the issue of the Bonds is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, interest and Discount, if any, derived from the Bonds held by:
 - (aa) any related party of the Issuer; or
 - (bb) any other person where the funds used by such person to acquire the Bonds are obtained, directly or indirectly from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax of 10 per cent described in paragraphs (a) to (d) 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.

Notwithstanding that the Issuer is permitted to make payments under the Bonds without deduction or withholding of tax under Sections 45 and 45A of the SITA, any person whose interest or Discount derived from the Bonds is not exempt from tax is required under the SITA to include such interest or Discount in a return of income made under the SITA.

If the Issuer is required to deduct or withhold tax on payments under the Bonds (including, in the event that the Bonds are denied “Qualifying Debt Securities” status), the Issuer will pay such additional amounts as will result in the receipt by Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required.

Avoidance of double taxation agreement

Non-resident Bondholders receiving gains on the sale or conversion of the Bonds may also be liable to tax in their respective foreign jurisdictions. Subject to the domestic laws of the respective foreign jurisdictions and any avoidance of double taxation agreements concluded with Singapore, there could be foreign tax relief available for the Singapore tax suffered on the gains (if applicable).

Adoption of FRS 39 treatment for Singapore income tax purposes

On 30 December 2005, the Inland Revenue Authority of Singapore issued a circular entitled “Income Tax Implications arising from the adoption of FRS 39-Financial instruments: Recognition and Measurement” (the “**FRS 39 Circular**”). Legislative amendments to give effect to the FRS 39 Circular were enacted on 13 February 2007 under the Income Tax (Amendment) Act 2007.

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

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

Stamp duty

There is no stamp duty applicable on the issue of the Bonds.

Goods and Services Tax (“GST”)

Certain supply of financial services may be regarded as an exempt supply within the meaning of the Fourth Schedule of the GST Act. Sale of the Bonds is considered to be an exempt supply under paragraph 1(e) of the Fourth Schedule of the GST Act and therefore, GST is not chargeable on the

sale of the Bonds. Likewise, no GST is chargeable on the sale of Shares (after conversion of the Bonds) as it would be considered to be an exempt supply under paragraph 1(f) of the Fourth Schedule of the GST Act.

Taxation of the Shares

Income Tax

Tax on Dividends

All companies will be under the one-tier corporate tax system with effect from 1 January 2008. Under this one-tier corporate tax system, dividends paid by companies, are tax exempt in the hands of all shareholders (both resident and non-resident). Tax paid on profits (out of which the dividends are paid) by the dividend-paying company would constitute a final tax.

There is no withholding tax on dividends in Singapore.

Disposal of Shares

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains arising from the disposal of the Shares may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller would regard as the carrying on of a trade or business in Singapore.

Relief from taxation on dividends, gains on the sale, exercise or other disposal of the Shares

Non-resident holders receiving dividend income and any gains on the sale, exercise or other disposition of the Shares may also be liable to tax in their respective foreign jurisdictions. Subject to the domestic tax laws of the respective foreign tax jurisdictions and any avoidance of double taxation agreements concluded with Singapore, there could be foreign tax relief available for the Singapore tax suffered or deemed to be suffered on the dividend income and gains (if applicable).

Holders of Shares are advised to consult their tax advisers concerning the Singapore tax implications of holding, selling, assigning, transferring or otherwise disposing of the Shares.

Stamp duty

There is no stamp duty on the issuance of shares.

Stamp duty is applicable on any instrument of transfer of shares in a Singapore company which are (i) executed in Singapore or (ii) are executed outside Singapore and is received in Singapore at the rate of 0.2 per cent of the consideration or open market value of the shares, whichever is higher. The applicable stamp duty may be payable to the Comptroller anytime before the document is executed. However, once the document is executed, the applicable stamp duty is to be accounted to the Comptroller as follows:

- Within fourteen (14) days after the date of the document if the document is executed in Singapore; or
- Within thirty (30) days after the date of its receipt in Singapore if the document is executed outside Singapore.

The above stamp duty is not applicable to electronic transfers of the Shares through the CDP.

The Singapore Stamp Duty Act provides for relief from stamp duty in cases involving (amongst others) transfer of assets between associated companies, transfer of shares in respect of a scheme for the reconstruction of any company or companies or the amalgamation of companies, subject to the fulfilment of prescribed conditions.

Goods and Services Tax

Sale of the Shares is exempted from GST under paragraph 1(f) of the Fourth Schedule of the GST Act. Hence, no GST is chargeable on the sale of the Shares.

Subscription and Sale

The Issuer has entered into a subscription agreement with the Bookrunner dated 19 April 2007 (the “**Subscription Agreement**”), pursuant to which and subject to the satisfaction of certain conditions contained therein, the Issuer agreed to issue the Bonds to the Bookrunner, and the Bookrunner agreed with the Issuer to subscribe and pay for or to procure subscribers to subscribe and pay for the Bonds on the Closing Date at the issue price of 100 per cent. of the aggregate principal amount of the Bonds less the commission and concession referred to in the Subscription Agreement.

The Issuer has agreed in the Subscription Agreement with the Bookrunner that, for a period of 60 days after the Closing Date, neither the Issuer nor any of its subsidiaries or other affiliates over which it exercises management or voting control, nor any person acting on its or their behalf, shall, without the prior written consent of the Bookrunner (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal) securities issued by the Issuer and having a maturity of more than one year from the date of issue, any Shares of the Issuer or securities convertible or exchangeable into or exercisable for Shares of the Issuer or warrants or other rights to purchase Shares of the Issuer or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity swaps, forward sales and options representing the right to receive any Shares save for Shares issued pursuant to the conversion provisions of the Bonds and the Rights Issue and any share options or share awards pursuant to any share option or share award schemes of the Issuer which have been publicly disclosed to the SGX-ST.

In addition, Guoco Group Limited has undertaken to the Bookrunner that for a period of 45 days from the Closing Date, without the prior written approval of the Bookrunner, it will not sell any Shares or enter into other transactions with a similar effect as described in the preceding paragraph.

The Subscription Agreement provides that the Issuer will indemnify the Bookrunner against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement also provides that the obligations of the Bookrunner are subject to certain conditions precedent, and entitles the Bookrunner to terminate it in certain circumstances prior to payment being made to the Issuer.

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

The Bookrunner and the Joint Lead Managers and certain of their subsidiaries or affiliates have performed certain investment banking and advisory services for the Issuer and/or its subsidiaries from time to time for which they have received customary fees and expenses. The Bookrunner and the Joint Lead Managers may, from time to time, engage in transactions with and perform services for the Issuer and/or its subsidiaries in the ordinary course of their business.

In connection with the issue of the Bonds, the Stabilising Manager may, to the extent permitted by applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail in the open market, but in doing so the Stabilising Manager shall act as principal and not as agent of the Issuer and any loss resulting from over-allotment or stabilisation shall be borne, and any profit arising therefrom shall be beneficially retained, by the Stabilising Manager. However, there is no assurance that the 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 Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds.

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

No offers, sales or deliveries of any Bonds, or distribution or publication of any offering material relating to the Bonds, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer or the Bookrunner or the Joint Lead Managers.

Under the Subscription Agreement, the Issuer may issue up to an additional S\$100 million in principal amount of Bonds pursuant to an option exercisable at the mutual agreement of the Issuer and the Bookrunner (the “**Up-size Option**”).

General

The Bookrunner and the Joint Lead Managers will comply with all applicable laws and regulations in each jurisdiction in which it acquires, purchases, offers or sells Bonds or has in its possession or distributes this Offering Circular or any amendment or supplement thereto or any other offering material, in all cases at its own expense. The Bookrunner and the Joint Lead Managers have not been authorised to, and will not, make any representation or use any information in connection with the issue, subscription and sale of the Bonds other than as contained in this Offering Circular or any amendment or supplement thereto.

United States

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Bookrunner and the Joint Lead Managers has represented that it has not offered or sold, and has agreed that it will not offer or sell, any Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds or the shares to be issued upon conversion of the Bonds.

Terms used above have the meanings given to them by Regulation S.

Each of the Bookrunner and the Joint Lead Managers has represented and agreed that neither it nor any of its affiliates (as defined in Rule 501(b) of Regulation D), nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer and sale of the Bonds or the Shares to be issued upon conversion of the Bonds in the United States.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each of the Bookrunner and the Joint Lead Managers has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Bonds to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Bonds which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant

Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Bonds to the public in that Relevant Member State at any time:

- (i) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- (ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (iii) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an “offer of Bonds to the public” in relation to any Bonds 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 Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each of the Bookrunner and the Joint Lead Managers has represented, warranted and agreed that: (i) 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 Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK.

Spain

The offer of the Bonds has not been registered with the Comisión Nacional del Mercado de Valores (the “**CNMV**”). Accordingly, each of the Bookrunner and the Joint Lead Managers has represented, warranted and agreed that the Bonds may only be offered in Spain to qualified investors pursuant to and in compliance with Law 24/1988, as amended, Royal Decree 1310/2005 and any regulation issued thereunder.

Italy

The offering of the Bonds has not been registered with the Commissione Nazionale per la Società e la Borsa (“**CONSOB**”) (the Italian securities and exchange commission) pursuant to the Italian securities legislation and accordingly, the Bonds cannot be offered, sold or distributed nor can any copies of this Offering Circular or any other document relating to the Bonds be distributed in the Republic of Italy (“**Italy**”) in a solicitation to the public at large (sollecitazione all’investimento) within the meaning of Article 1, paragraph 1, letter (t) of Legislative Decree no. 58 of 24 February 1998, unless an exemption applies. Accordingly, the Bonds in Italy:

- (i) shall only be offered or sold to professional investors (operatori qualificati), as defined in Article 31, second paragraph of CONSOB Regulation No 11522 of 1 July 1998 (the “**Regulation No 11522**”), as amended, and effected in compliance with the terms and procedures provided therein; or
- (ii) shall only be offered or sold in circumstances which are exempted from the rules of solicitation of investments pursuant to Article 100 of Legislative Decree No 58 of 24 February 1998 (the “**Financial Services Act**”) and Article 33, first paragraph, of CONSOB Regulation No 11971 of 14 May 1999,

but, in any case, cannot be offered, sold and/or delivered, either in the primary or in the secondary market, to individuals in Italy, and in any event, the offer or sale of the Bonds in Italy shall be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.

Moreover and subject to the foregoing, the Bonds may not be offered, sold or delivered and neither this Offering Circular nor any other material relating to the Bonds may be distributed or made available in Italy unless such offer, sale or delivery of Bonds or distribution or availability of copies of this Offering Circular or any other material relating to the Bonds in the Italy is:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No 385 of 1 September 1993 (the “**Italian Banking Act**”), the Regulation No 11522 and any other applicable laws and regulations;
- (b) in compliance with Article 129 of the Italian Banking Act and the implementing instructions of the Bank of Italy, pursuant to which the issue, trading or placement of securities (e.g., Bonds) in Italy is subject to prior and subsequent notification to the Bank of Italy, unless an exemption, depending *inter alia* on the amount of the issue and the characteristics of the securities, applies; and
- (c) in compliance with any other applicable requirement or limitation which may be imposed from time to time by CONSOB or the Bank of Italy.

Insofar as the requirements above are based on laws which are superseded at any time pursuant to the implementation of the Prospectus Directive, such requirements shall be replaced by the applicable requirements under the Prospectus Directive.

Hong Kong

Each of the Bookrunner and the Joint Lead Managers has represented and agreed that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong and (ii) it has not issued and will not issue any advertisement, invitation or document relating to the Bonds, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Japan

The Bonds have not been and will not be registered under the Securities and Exchange Law of Japan (the “**Securities and Exchange Law**”). Accordingly, each of the Bookrunner and the Joint Lead Managers has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan.

Singapore

Each of the Bookrunner and the Joint Lead Managers has acknowledged that the Offering Circular will not be registered as a prospectus with the MAS. Accordingly, each of the Bookrunner and the Joint Lead Managers has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds 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 Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to persons in Singapore other than (1) to an institutional investor under Section 274 of the SFA, (2) to a relevant person pursuant

to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (i) 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
- (ii) 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,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA; or
- (b) where no consideration is or will be given for the transfer; or
- (c) where the transfer is by operation of law.

In addition, the Bookrunner had represented, warranted and agreed that it has not offered or sold any Bonds, and will not offer or sell any Bonds, to any persons referred to in Rule 812 of the Singapore Listing Rules.

General Information

- (1) The Issuer is incorporated in Singapore as a company with limited liability and its registration number is 197600660W. The registered office of the Issuer is 20 Collyer Quay #20-01 Tung Centre Singapore 049319.
- (2) The terms of the offering and the issue of the Bonds were approved by resolutions of the Directors of the Issuer passed on 19 April 2007.
- (3) Application has been made for the listing of the Bonds and the new Shares to be issued on the conversion of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offering Circular. Approval for the listing of the Bonds and the new Shares to be issued on conversion of the Bonds is not to be taken as an indication of the merits of the Bonds, the Shares, the Issuer or its subsidiaries.
- (4) Copies of the Memorandum and Articles of Association of the Issuer and copies of the Trust Deed and the Agency Agreement will be available for inspection by Bondholders during usual business hours on any weekday (except Saturdays, Sundays and public holidays) at the Issuer's office at 20 Collyer Quay #20-01 Tung Centre Singapore 049319 for so long as any of the Bonds are outstanding.
- (5) The Tranche 1 Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg, with a Common Code of 029806861. The International Securities Identification Number for the Tranche 1 Bonds is XS0298068619. The Tranche 2 Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg, with a Common Code of 029807035. The International Securities Identification Number for the Tranche 2 Bonds is XS0298070359.
- (6) The Issuer has obtained all consents, approvals and authorisations in Singapore required in connection with the issue and performance of the Bonds except (i) the Relevant Approvals and (ii) the SGX-ST's approval for the listing of the Bonds and the Conversion Shares on the SGX-ST.
- (7) Except as publicly disclosed (including in its Annual Reports and the 3Q Financial Statements) or as disclosed in this Offering Circular up to date hereof, there has been no material adverse change in the financial position of the Issuer since 30 June 2006.
- (8) Except as publicly disclosed or as disclosed in this Offering Circular up to date hereof, the Issuer is not involved in any litigation or arbitration proceedings or any regulatory investigations relating to claims or amounts which are material in the context of the issue of the Bonds nor, so far as the Issuer is aware, is any such litigation or arbitration pending or threatened.
- (9) The Trustee is entitled under the Trust Deed to rely, without liability to the Bondholders, on any certificate prepared by the Directors of the Issuer and accompanied by a certificate or report prepared by an internationally recognised firm of accountants pursuant to the Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the internationally recognised firm of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded.
- (10) Copies of the Agency Agreement and the published financial statements of the Issuer will be available at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Bonds are outstanding.

Issuer

GuocoLand Limited

20 Collyer Quay
#20-01 Tung Centre
Singapore 049319

Trustee

**The Hongkong and Shanghai Banking
Corporation Limited**

Level 30, HSBC Main Building
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