



JAPAN FINANCE ORGANIZATION FOR MUNICIPALITIES

(Incorporated under the Japan Finance Organization for Municipalities Law of Japan)

¥3,000,000,000,000

Global Medium Term Note Programme

This Supplement (the "**Supplement**") constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 3 August 2018 (the "**Base Prospectus**") and is prepared by Japan Finance Organization for Municipalities ("**JFM**") in connection with its Global Medium Term Note Programme (the "**Programme**") for the issuance of up to ¥3,000,000,000,000 in aggregate principal amount of notes ("**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement is issued in order to (i) incorporate by reference into the Base Prospectus JFM's unaudited semiannual financial statements in respect of the six months ended 30 September 2018, (ii) update the Base Prospectus to note certain changes in JFM's executive officer and corporate auditor, (iii) provide information with regard to JFM's capitalisation and indebtedness as of 30 September 2018, (iv) provide information with regard to JFM's selected historical financial information as of and for the six months ended 30 September 2017 and 2018, (v) provide information with regard to JFM's operating and financial review as of and for the six months ended 30 September 2017 and 2018, (vi) add information regarding the product classification of Notes pursuant to Section 309B of the Securities and Futures Act (Chapter 289 of Singapore), and (vii) replace the Singaporean selling restrictions.

This Supplement has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

JFM accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

Investors should be aware of their rights under Section 87Q(4) of the FSMA.

Document Incorporated by Reference

On 13 December 2018, JFM published its unaudited semiannual financial statements in English in respect of the six months ended 30 September 2018 (the "**Document**"). A copy of the Document has been filed with the FCA and, by virtue of this Supplement, the Document is incorporated in, and forms part of, the Base Prospectus.

Copies of the Document incorporated by reference in the Base Prospectus by virtue of this Supplement can be obtained without charge from the registered office of JFM, JFM's website at http://www.jfm.go.jp/en/investors/financial_information/F.S/S.F.S_2018.pdf and the website of the Regulatory New Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>. Information contained in or accessible from the websites set out above does not form part of and is not incorporated by reference into this Supplement. For the avoidance of doubt, the exclusion from this Supplement of information contained in or accessible from the websites referred to above does not apply to the Document being incorporated by reference.

Change in Officers

Effective 30 September 2018, Mr Eiichi Sugimura resigned as an executive officer of JFM and, effective 1 October 2018, Mr Yuji Tsukada was appointed as an executive officer of JFM. Also effective 30 September 2018, Mr Koichi Kato resigned as a corporate auditor of JFM and, effective 1 October 2018, Mr Hidehiko Ouchi was appointed as a corporate auditor of JFM.

Capitalisation and Indebtedness

The following table sets out the capitalisation and indebtedness of JFM as of 30 September 2018, and has been extracted without material adjustment from JFM's unaudited semiannual financial statements as of the same date:

	As of 30 September 2018 (Millions of yen)
Indebtedness:	
Bonds ⁽¹⁾⁽²⁾	¥20,347,665
Borrowed money	154,500
Total indebtedness	<u>20,502,165</u>
Funds and Reserves:	
Fund for lending rate reduction ⁽³⁾	920,287
<i>Of which:</i>	
Basic fund for lending rate reduction	920,287
Reserves under special laws	2,763,504
<i>Of which:</i>	
Reserve for interest rate volatility ⁽⁴⁾	2,200,000
Management account reserve for interest rate volatility ⁽⁴⁾	538,140
Reserve for interest rate reduction ⁽⁵⁾	25,363
Net Assets:	
Capital	16,602
Retained earnings	199,035
<i>Of which:</i>	
General account appropriated surplus reserve	189,436
General account semiannual unappropriated retained earnings	9,598
Valuation, translation adjustments and others	4,172
Management account surplus reserve	<u>57,808</u>
Total net assets	<u>277,618</u>
Total capitalisation and indebtedness ⁽⁶⁾⁽⁷⁾	<u>¥24,463,575</u>

Notes:

- (1) JFM issued ¥65,000 million (face value) in aggregate principal amount of government-guaranteed bonds and ¥330,000 million (face value) in aggregate principal amount of non-guaranteed bonds from 30 September 2018 to 9 January 2019.
- (2) Includes current maturities.
- (3) Funds for lending rate reduction pursuant to the JFM Law. This has been included in the above table although, under the JFM Law, this item is presented as a liability on JFM's balance sheets.
- (4) Reserves to prepare for interest rate risk associated with refinancing of bonds pursuant to the JFM Law. This has been included in the above table although, under the JFM Law, this item is presented as a liability on JFM's balance sheets.
- (5) Reserve for interest rate reduction pursuant to the JFM Law. This has been included in the above table although, under the JFM Law, this item is presented as a liability on JFM's balance sheets.
- (6) Total capitalisation and indebtedness comprises the aggregate of bonds, borrowed money, fund for lending rate reduction, reserves under special laws and total net assets.
- (7) Other than as described above, there has been no material change in JFM's capitalisation and indebtedness since 30 September 2018.

Selected Historical Financial Information

The following table, which supplements the selected historical financial information of JFM set out in the Base Prospectus, shows selected financial information of JFM as of each of the indicated dates and for each of the indicated periods below. Such information is extracted without material adjustment from JFM's unaudited semiannual financial statements as of the indicated date and for each of the indicated periods below. This information is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements, including the notes to the financial statements, that are included elsewhere or incorporated by reference in the Base Prospectus.

Statements of Income Data

	For the six months ended 30 September	
	2017	2018
	(Billions of yen)	
Income.....	¥174.5	¥160.6
Interest income.....	174.4	160.5
Fees and commissions.....	0.0	0.0
Other income.....	0.0	0.0
Expenses	99.2	90.8
Interest expenses	95.1	87.3
Fees and commissions.....	0.1	0.1
Other operating expenses	2.3	1.6
General and administrative expenses	1.6	1.5
Ordinary income.....	75.3	69.7
Special gains	223.3	403.1
Special losses	287.3	463.3
Net income	¥11.3	¥9.5

Balance Sheet Data

	As of 30 September 2018
	(Billions of yen)
Assets:	
Loans.....	¥23,408.2
Securities.....	142.0
Cash and bank deposits	914.6
Cash collateral paid for financial instruments	28.4
Total assets.....	24,505.4
Liabilities:	
Bonds	20,347.6
Borrowed money.....	154.5
Cash collateral received for financial instruments.....	35.5
Other liabilities.....	6.1
Fund for lending rate reduction	920.2
Reserves under special laws	2,763.5
Reserve for interest rate volatility	2,200.0
Management account reserve for interest rate volatility.....	538.1
Total liabilities	24,227.8
Net Assets:	
Capital	16.6
Retained earnings	199.0
Valuation, translation adjustments and others	4.1
Management account surplus reserve.....	57.8
Total net assets	¥277.6

Operating and Financial Review

The following operating and financial review of JFM, which forms the remainder of the Supplement, is based on information contained in the unaudited semiannual financial statements of JFM as of and for the six months ended 30 September 2018 and, with respect to the amounts of loans under "— Overview" below and the amounts of bonds issued under "— Liquidity and Capital Resources — Fund-Raising Operations for the Six Months Ended 30 September 2018" below, the accounting records of JFM, and is intended to convey management's perspective on the operating performance and financial condition of JFM as of the date and during the period under review, as measured in accordance with Japanese GAAP. The following supplements the operating and financial review as of and for the years ended 31 March 2017 and 2018 contained in the Base Prospectus.

Overview

JFM's net income for the six months ended 30 September 2018 decreased by 15.4 per cent. to ¥9.5 billion compared to ¥11.3 billion in the six months ended 30 September 2017. The decrease was primarily a result of a decrease in ordinary income as described below partially offset by a slight decrease in net special losses. JFM's ordinary income for the six months ended 30 September 2018 decreased by 7.4 per cent. to ¥69.7 billion compared to ¥75.3 billion in the six months ended 30 September 2017. The decrease was due primarily to a decrease of 8.0 per cent. in interest income to ¥160.5 billion in the six months ended 30 September 2018 partially offset by a 8.1 per cent. decrease in interest expenses to ¥87.3 billion.

Based on its lending plan, JFM extended 6,046 loans to local governments in an aggregate amount of ¥692.2 billion with the consent or approval of the Minister for Internal Affairs and Communications and prefectural governors in the six months ended 30 September 2018. These loans included:

- loans, for a total of ¥398.6 billion, for general account-related businesses such as local road construction and special municipal merger projects;
- loans, in the amount of ¥137.9 billion, for temporary financial countermeasures funding to make up for a shortfall of local allocation tax pursuant to the provisions of the Local Government Finance Law; and
- loans, for a total of ¥155.6 billion, for municipal enterprise-related businesses such as sewerage and water supply.

In accordance with its fund-raising plan, during the six months ended 30 September 2018, JFM issued ¥645.6 billion (issue price) of public offering bonds without government guarantee, ¥264.0 billion of private placement bonds without government guarantee subscribed to by pension funds and mutual aids for local government officials, including the Pension Fund Association for Local Government Officials for lending, and ¥130.0 billion (issue price) of government-guaranteed bonds to refinance the existing government-guaranteed bonds of the Predecessor to smoothly manage the Predecessor's assets to which JFM has succeeded.

Factors Affecting Results of Operations

Reduction of JFM's Reserves for Interest Rate Volatility

JFM manages assets and liabilities succeeded from the Predecessor in its management account. JFM manages its other assets and liabilities in its general account. For a breakdown, see note 10 to JFM's unaudited semiannual financial statements for the six months ended 30 September 2018. Total assets and liabilities in the management account are expected to decline as time passes because no new loans or bonds (other than bonds issued to refinance Predecessor bonds) have been issued in this account since October 2008 and no such loans or bonds are expected to be issued.

In January 2015, the Minister for Internal Affairs and Communications and the Minister of Finance (the "**Ministers**") made a determination and required that JFM transfer up to ¥600 billion from JFM's reserves for interest rate volatility maintained in the management account to the national treasury over the three-year period ending 31 March 2018. In October 2015 and on 7 October 2016, ¥300 billion and ¥200 billion were transferred by JFM to the national treasury, respectively. In December 2016, the Ministers made a further determination and required that JFM transfer up to ¥900 billion from JFM's reserves for interest rate volatility maintained in the management account to the national treasury over the three-year period ending 31 March 2020, including a transfer of ¥400 billion in the year ending on 31 March 2018 of which the transfer of ¥100 billion is pursuant to the January 2015 determination. JFM completed the transfers of ¥400 billion in October 2017 and an additional ¥400 billion in September 2018 accordingly. Furthermore, it was also determined that an additional amount of up to ¥1.5 billion would be transferred by JFM to the national treasury over the six-year period ending 31 March 2024. The completed transfers have not had, and JFM does not expect any planned transfers to have, a material effect on JFM's business, results of operations or financial condition. This is due primarily to the fact that the margins on the management account loan portfolio are generally improving in the current low interest rate environment because bonds are being refinanced at lower rates and that interest rate risk in the management account is expected to decline overall as the size of that portfolio declines over time.

Results of Operations

The table below sets forth JFM's results of operations for the six months ended 30 September 2017 and 2018:

	For the six months ended 30 September	
	2017	2018
	(Billions of yen)	
Interest income	¥174.4	¥160.5
Interest expenses	95.1	87.3
Net interest income.....	79.3	73.1
Fees and commissions	0.0	0.0
Fees and commissions expenses.....	0.1	0.1
Net fees and commissions	(0.0)	(0.0)
Other income.....	0.0	0.0
Other operating expenses	2.3	1.6
General and administrative expenses	1.6	1.5
Ordinary income.....	75.3	69.7
Reversal of management account reserve for interest rate volatility	220.0	400.0
Reversal of reserve for interest rate reduction.....	3.3	3.1
Special gains	223.3	403.1
Provision for reserve for interest rate volatility.....	220.0	—
Provision for management account reserve for interest rate volatility.....	67.3	63.3
Payment to national treasury	—	400.0
Special losses	287.3	463.3
Net income	¥11.3	¥9.5

Net Interest Income

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. JFM's net interest income decreased by ¥6.1 billion, or 7.8 per cent., from ¥79.3 billion in the six months ended 30 September 2017 to ¥73.1 billion in the six months ended 30 September 2018. This decrease was mainly due to a decrease in interest income caused by a decrease in the average interest rate on loans as a result of redemptions of loans made in the past with relatively high interest rates. While the decrease in interest income was offset by a decrease in the interest expense caused by a decrease in the average interest rate on bonds as a result of the maturity of bonds issued in the past with relatively high interest rates, the offset was only partial due to the longer average term of the maturing loans compared to the average term of the maturing bonds.

Net Fees and Commissions

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. JFM's net fees and commissions expenses were relatively unchanged in the six months ended 30 September 2018 compared to the six months ended 30 September 2017.

Other Income

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. JFM's other income was relatively unchanged in the six months ended 30 September 2018.

Other Operating Expenses

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. JFM's other operating expenses decreased by ¥0.6 billion, or 28.3 per cent., from ¥2.3 billion in the six months ended 30 September 2017 to ¥1.6 billion in the six months ended 30 September 2018. The decrease was due primarily to a decrease in costs relating to bond issuance caused by a decrease in issuance of government-guaranteed bonds.

General and Administrative Expenses

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. JFM recorded general and administrative expenses of ¥1.5 billion in the six months ended 30 September 2018, which were relatively unchanged from the six months ended 30 September 2017.

Ordinary Income

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. JFM's ordinary income decreased from ¥75.3 billion in the six months ended 30 September 2017 to ¥69.7 billion in the six months ended 30 September 2018, a decrease of ¥5.5 billion or 7.4 per cent. The decrease was due to the factors described above.

Special Gains and Losses

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. JFM recorded special gains of ¥403.1 billion in the six months ended 30 September 2018 compared to ¥223.3 billion in the six months ended 30 September 2017, an increase of ¥179.8 billion or 80.5 per cent., which mainly reflected an increase in the reversal of management account reserve for interest rate volatility due to the payment to the national treasury in the six months ended 30 September 2018. Special losses increased from ¥287.3 billion in the six months ended 30 September 2017 to ¥463.3 billion in the six months ended 30 September 2018, an increase of ¥176.0 billion or 61.3 per cent., which mainly reflected the payment of ¥400 billion to the national treasury, partially offset by the absence of a provision for reserve for interest rate volatility and, to a lesser extent, a decrease in provision for management account reserve for interest rate volatility.

The special gains and losses for the six months ended 30 September 2017 reflect the transfer of ¥220.0 billion from the management account reserve for interest rate volatility to the general account reserve for interest rate volatility as required by the JFM Law and the Cabinet Order concerning the Preparation of the Related Cabinet Orders and Transitional Measures in connection with the Abolishment of the Japan Finance Corporation for Municipal Enterprises Law (Cabinet Order 226 of 2008, as amended). See "Japan Finance Organization for Municipalities — Risk Management — Market Risk — Interest Rate Risk" in the Base Prospectus for greater detail.

Net Income

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. As a result of the foregoing, JFM's net income decreased from ¥11.3 billion in the six months ended 30 September 2017 to ¥9.5 billion in the six months ended 30 September 2018, a decrease of ¥1.7 billion, or 15.4 per cent.

Allocation of Profit to the General and Management Accounts

Profits for each of the six months ended September 2017 and 2018 were allocated to the general account as general account semiannual unappropriated earnings and to the management account as management account semiannual unappropriated earnings.

General Account

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. Profits allocated to the general account decreased from ¥11.3 billion in the six months ended 30 September 2017 to ¥9.5 billion in the six months ended 30 September 2018.

Management Account

Six Months Ended 30 September 2017 Compared to Six Months Ended 30 September 2018. Profits allocated to the management account were unchanged in the six months ended 30 September 2018 compared to the six months ended 30 September 2017.

Financial Condition

Overview

The table below summarises selected balance sheet items of JFM as of 31 March 2018 and 30 September 2018:

	As of 31 March 2018	As of 30 September 2018
	(Billions of yen)	
Assets:		
Loans.....	¥23,768.2	¥23,408.2
Securities.....	170.0	142.0
Cash and bank deposits.....	747.7	914.6
Total assets.....	24,755.8	24,505.4
Liabilities:		
Bonds.....	20,284.5	20,347.6
Borrowed money.....	159.5	154.5
Cash collateral received for financial instruments.....	12.2	35.5
Other liabilities.....	6.6	6.1
Fund for lending rate reduction.....	920.2	920.2
Reserve under special laws.....	3,105.0	2,763.5
Total liabilities.....	24,488.4	24,227.8
Net Assets:		
Capital.....	16.6	16.6
Retained earnings.....	191.8	199.0
General account appropriated surplus reserve.....	191.8	189.4
General account semiannual unappropriated retained earnings.....	—	9.5
Valuation, translation adjustments and others.....	5.2	4.1
Management account surplus reserve.....	53.6	57.8
Total net assets.....	¥267.4	¥277.6

Assets. In the six months ended 30 September 2018, JFM's total assets decreased by ¥250.3 billion to ¥24,505.4 billion as of 30 September 2018 compared to ¥24,755.8 billion as of 31 March 2018. The decrease in total assets in the six months ended 30 September 2018 was mainly due to decreases in loans and securities, which was partially offset by an increase in cash and bank deposits.

Liabilities. In the six months ended 30 September 2018, JFM's total liabilities decreased by ¥260.5 billion to ¥24,227.8 billion as of 30 September 2018 compared to ¥24,488.4 billion as of 31 March 2018. This decrease was mainly due to the decrease in reserves under special laws, which was partially offset by increases in bonds and other liabilities.

Net Assets. In the six months ended 30 September 2018, JFM's total net assets increased by ¥10.1 billion to ¥277.6 billion as of 30 September 2018 compared to ¥267.4 billion as of 31 March 2018. The increase in total net assets in the six months ended 30 September 2018 was mainly due to an increase in retained earnings recorded in the general account, which was partially offset by a decrease in valuation, translation adjustments and others. As of 30 September 2018, JFM's retained earnings were ¥199.0 billion.

Liquidity and Capital Resources

Fundraising Operations for the Six Months Ended 30 September 2018

In the six months ended 30 September 2018, JFM issued bonds in the amount of ¥1,039.6 billion (issue price, the same shall apply hereinafter in this section) and incurred ¥20.0 billion of long-term borrowed money. Bonds issued by JFM in the six months ended 30 September 2018, included:

- ¥230.0 billion of non-guaranteed domestic public offering bonds, of which ¥140.0 billion were ten-year bonds, ¥70.0 billion were 20-year bonds, ¥10.0 billion were five-year bonds and ¥10.0 billion were 30-year bonds;
- ¥181.0 billion FLIP bonds;
- ¥234.6 billion under its medium-term notes programme;

- ¥124.0 billion of ten-year private placement bonds and ¥140.0 billion of 20-year private placement bonds subscribed to by pension funds and mutual aids for local government officials, including the Pension Fund Association for Local Government Officials; and
- ¥130.0 billion of government-guaranteed domestic bonds to refinance government-guaranteed bonds issued by the Predecessor.

As a result, the outstanding balance of JFM bonds and long-term borrowed money amounted to ¥20,353.6 billion and ¥154.5 billion, respectively, as of 30 September 2018.

Cash Flow Analysis for JFM for the Six Months Ended 30 September 2017 and 2018

The following table sets out selected cash flow information for the six months ended 30 September 2017 and 2018.

	For the six months ended 30 September	
	2017	2018
	(Billions of yen)	
Net cash provided by operating activities.....	¥452.6	¥539.0
Net cash provided by investing activities.....	49.7	27.9
Net cash provided by/(used in) financing activities.....	0.0	(400.0)
Net increase in cash and cash equivalents.....	502.4	166.9
Cash and cash equivalents at beginning of period.....	861.2	747.7
Cash and cash equivalents at end of period.....	1,363.6	914.6

Cash Flow from Operating Activities

JFM's net cash flow from operating activities was a cash inflow of ¥539.0 billion in the six months ended 30 September 2018 compared with a cash inflow of ¥452.6 billion in the six months ended 30 September 2017. The change in the six months ended 30 September 2018 was due primarily to increases in bonds and others and a decrease in loans, partially offset by decreases in borrowed money and interest received.

Cash Flow from Investing Activities

JFM's net cash flow from investing activities was a cash inflow of ¥27.9 billion in the six months ended 30 September 2018, compared with a cash inflow of ¥49.7 billion in the six months ended 30 September 2017. The change in the six months ended 30 September 2018 was due primarily to an increase in purchases of securities, partially offset by an increase in proceeds from redemption of securities.

Cash Flow from Financing Activities

JFM's net cash flow from financing activities was a cash outflow of ¥400.0 billion in the six months ended 30 September 2018 compared with nil in the six months ended 30 September 2017 due primarily to the payment to the national treasury.

Product Classification Pursuant to Section 309B of the Securities and Futures Act (Chapter 289 of Singapore)

The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"). JFM will, to the extent required, make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the relevant Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

The following new paragraph is inserted in the Form of Final Terms (as the third paragraph):

"[**Singapore Securities and Futures Act Product Classification:** Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**SF (CMP) Regulations**")) that the Notes are "prescribed capital markets

products" (as defined in the SF (CMP) Regulations) and "Excluded Investment Products" (as defined in the Monetary Authority of Singapore ("MAS") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]"

Singaporean Selling Restrictions

The sub-section "Singapore" within the section "Subscription and Sale" in the Base Prospectus is deleted in its entirety and replaced with the following:

"Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018."