

# Minibond <sup>2</sup> Series

Offer period : 24 July 2006 - 18 August 2006

## PRICING STATEMENT DATED 19 JULY 2006

(REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE ON 19 JULY 2006)

### MINIBOND LIMITED

(incorporated with limited liability in the Cayman Islands)

### Minibond Series 2

Up to SGD 150,000,000 Credit-Linked Notes due 2012 (the “Tranche A Notes”)

Up to USD 50,000,000 Credit-Linked Notes due 2012 (the “Tranche B Notes”)

(Collectively, the “Notes”)

#### Issued under the S\$10,000,000,000 Secured Note Programme of Minibond Limited

This document constitutes the Pricing Statement relating to the issue of the Notes described herein. Defined terms used herein which have not been defined in this Pricing Statement shall have the same meaning as those defined in the Base Prospectus dated 30 March 2006 in respect of the Secured Note Programme of Minibond Limited (the “**Base Prospectus**”). This offer (“**Offer**”) is made on the basis of information contained in this Pricing Statement as well as in the Base Prospectus and supplementary Base Prospectus or Base Prospectuses, if any, in respect of the Programme. **THIS PRICING STATEMENT MUST BE READ TOGETHER WITH THE BASE PROSPECTUS.** If there is any inconsistency between the information in the Base Prospectus and this Pricing Statement, the information in this Pricing Statement shall prevail.

**Before making any investment decision, please read the section “INVESTMENT RISKS” of this Pricing Statement and “RISK FACTORS” in the Base Prospectus.** If you are in doubt about any of the contents of this Pricing Statement, you should obtain independent professional advice. We cannot give you investment advice: you must decide for yourself, taking professional advice if appropriate, whether our Notes meet your investment needs. **There will be no guarantee from any entity to you that you will recover any amount payable under the Notes and you could lose all or a substantial part of your investment in the Notes.**

A copy of this Pricing Statement has been lodged with and registered by the Monetary Authority of Singapore (the “**Authority**”) together with the Base Prospectus. The Authority assumes no responsibility for the contents of this Pricing Statement. Registration of this Pricing Statement together with the Base Prospectus with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Notes being offered as an investment. The Notes will not be listed or quoted on any securities exchange.

#### *Arranger*

Lehman Brothers Inc.

#### *Distributors*

ABN AMRO Bank N.V., Singapore Branch

Kim Eng Securities Pte. Ltd.

OCBC Securities Private Limited

UOB Kay Hian Private Limited

DMG & Partners Securities Pte Ltd

Malayan Banking Berhad, Singapore Branch

Phillip Securities Pte Ltd

Each of the Issuer, the directors of the Issuer and the Arranger accept full responsibility for the accuracy of the information contained in this Pricing Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Pricing Statement are fair and accurate in all material respects as at the date of this Pricing Statement and that there are no material facts the omission of which would make any statement in this Pricing Statement misleading as of the date of this Pricing Statement.

There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer, in each case, since the date of its incorporation on 7 December 2005.

The Arranger and its affiliates make no representation or warranty relating to any information contained herein that is derived from independent sources.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Notes, save where explicitly stated in the Base Prospectus. The Notes must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold.

Prospective investors should be aware that for the purposes of the terms and conditions of the Notes, where the Note is a Global Note or Global Certificate held by CDP or through Euroclear or Clearstream, Luxembourg, the term “**Noteholders**” shall mean the persons shown in the records of CDP, Euroclear or Clearstream, Luxembourg as a holder of a principal amount of the Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the person shown in the Register at the date of business on the Record Date shall be treated as the holder of such Notes. Individual retail investors in the Notes are not “**Noteholders**” in this context. The terms “you”, “investors” or “prospective investors” have been used herein to describe the individual retail investors subscribing for the Notes through a Distributor.

Any action an investor may wish to take against the Issuer in accordance with the terms and conditions of the Notes will require the cooperation of the Noteholder and/or the Trustee. Investors have no right of direct action against the Issuer and if such investors maintain investment accounts with their Distributors, such investors will need to rely upon their Distributor or broker to contact the Trustee to take action against the Issuer on their behalf in accordance with the terms of the Trust Deed. The terms of business of one Distributor or broker to another may be very different and prospective investors are advised to read carefully the terms of business of any party they intend to engage in maintaining an investment account for their Notes, and ensure they understand the circumstances in which they may rely upon such party to act on their behalf.

Reference to any website in this Pricing Statement is intended to assist prospective investors to access further information relating to the subject as indicated. Prospective investors should conduct such web searches as they deem appropriate and ensure that they are viewing the most up-to-date information. Information appearing on such websites does not form part of this Pricing Statement. Neither the Issuer nor the Arranger accepts any responsibility whatsoever that such information, if available, is accurate and/or up-to-date, and no responsibility is accepted in relation to any such information by any person responsible for this Pricing Statement.

The offer of notes issued under the Programme by the Issuer is made solely on the basis of the information contained in the Base Prospectus and this Pricing Statement and prospective investors should exercise an appropriate degree of caution when assessing the value of other information which may appear on such websites.

None of the Issuer, Arranger, Distributor, Dealer, Agents, Trustee, Custodian, Calculation Agent, Swap Counterparty, Swap Guarantor and their respective affiliates (together, the “**Transaction Participants**”) has made any representation whatsoever with respect to any Reference Entity, any Reference Obligation, any Obligation or any Calculation Obligation (all as defined herein) on which any Noteholder is relying or is entitled to rely. The Transaction Participants are not responsible for any Reference Entity’s public disclosure of information. Except for the disclosure on the credit ratings of the Reference Entities in this Pricing Statement, neither the Issuer nor the Arranger has conducted or will be conducting independent investigations on the Reference Entities in respect of (i) any legal or regulatory provisions which may materially affect the performance of the Reference Entities, (ii) any significant representations and warranties made concerning the Reference Entities, (iii) any material cross-default provisions relating to the Reference Entities, (iv) the nature and extent of the Reference Entities’ exposure to any other entity and (v) the material terms or agreements involving the Reference Entities. Neither the Issuer nor the Arranger makes any representations as to the Reference Entities. Investors should make their own investigations and analysis of the Reference Entities.

Any Transaction Participant may deal in each Reference Obligation, Obligation or Calculation Obligation and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, a Reference Entity or any affiliate of a Reference Entity, or any other person or entity having obligations relating to a Reference Entity, and may act with respect to such business in the same manner as each of them would if the Notes did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity or the position of any Noteholder or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event (as defined in “Annex To The Pricing Supplement”)).

Any Transaction Participant may, whether by virtue of the types of relationships described herein or otherwise, at any time, be in possession of information in relation to a Reference Entity that is or may be material in the context of the issue of the Notes and that may or may not be publicly available or known to the Noteholder, and the Notes do not create any obligation on the part of any Transaction Participant to disclose to any Noteholder any such relationship or information (whether or not confidential).

No Reference Entity is involved in the issuance of the Notes in any way and has any obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes. Each Reference Entity may, and is entitled to, take actions that will adversely affect the value of the Notes. The purchase price paid for the Notes is paid to the Issuer and not to any Reference Entity, and the Notes do not represent a direct investment in any Obligation of any Reference Entity or otherwise give the Noteholders any rights in the debt or other obligations of any Reference Entity. As an owner of Notes, a Noteholder will not have special voting rights or rights to receive distributions or any other rights that holders of debt or other obligations of a Reference Entity may have.

There is no guarantee, protection or assurance for purchasers of the Notes in respect of the credit or performance of any Reference Entity, Reference Obligation, Obligation or Underlying Securities. None of the Transaction Participants makes any representation as to the future performance of the Notes either in absolute terms or relative to other investments. The Notes will solely be obligations of the Issuer and will not be guaranteed or insured by, or be the responsibility of, any other entity. While the Swap Guarantor may execute a Swap Guarantee in connection with the Notes, such guarantee is solely to guarantee the payment obligations of the Swap Counterparty under the Swap Agreement. The Notes will not be obligations of, and will not be guaranteed or insured by, any of the Transaction Participants, in particular the Swap Guarantor. The Notes do not represent deposits with or other liabilities of the Trustee, the Arranger, any Reference Entity or any of their respective affiliates or related corporations. The Issuer is not in the business of deposit-taking and does not hold itself out as accepting deposits on a day to day basis nor will it accept deposits on a day to day basis. None of the Arranger, the Swap Counterparties, the Swap Guarantor, the Calculation Agent, the Market Agent, the Allocation Agent and any of their affiliates (together, “**Lehman Brothers**”) in any way stands behind the capital value or performance of the Notes, or of the assets held by the Issuer. The obligations of Lehman Brothers to the Issuer and/or the Noteholders are limited to that expressed in its written agreement with the Issuer.

None of Moody’s Investors Service, Inc. (“**Moody’s**”), Fitch Ratings Ltd. (“**Fitch**”) and/or Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. (“**Standard & Poor’s**”) has, where applicable and relevant, consented to the specification of their credit ratings and also to the information set out in “Appendix 2 — A brief guide to credit ratings” in this Pricing Statement. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by any Rating Agency. A suspension, reduction or withdrawal of any of the credit ratings of any Reference Entity may adversely affect the market price of the Notes. Neither the Issuer nor the Arranger makes any representation as to the accuracy or reliability of the credit ratings or to the information set out in “Appendix 2 — A brief guide to credit ratings”, save that the Issuer and the Arranger have taken reasonable care to correctly extract and/or reproduce such information in its proper form and context. More information on credit ratings can be found at the websites of Fitch at [www.fitchratings.com](http://www.fitchratings.com), Standard & Poor’s at [www.standardandpoors.com](http://www.standardandpoors.com) and Moody’s at [www.moody’s.com](http://www.moody’s.com).

Copies of the Base Prospectus and supplementary Base Prospectuses, if any, and this Pricing Statement are available for collection at the times and places specified in this Pricing Statement under the section “Where to obtain copies of the Base Prospectus and this Pricing Statement”.



Invest on  
the shoulders of giants  
total returns over 5<sup>3</sup>/<sub>4</sub> years of over

28%\*

Available in denominations as low as S\$10,000 and US\$5,000

**Credit-linked to some of the world's biggest corporations:**

- ◆ American Express Company
- ◆ Bank of America Corporation
- ◆ DBS Bank Ltd.
- ◆ HSBC Bank PLC
- ◆ JPMorgan Chase & Co.
- ◆ Singapore Telecommunications Limited
- ◆ Standard Chartered Bank

**Offer period : 24 July 2006 - 18 August 2006**

**Available for a limited time only, so act now and talk to one of our representatives today!**

\* Total returns payable on the S\$ notes (4.88% p.a. or around 28.07% over 5<sup>4</sup>/<sub>3</sub> years) unless Minibond Limited exercises an early redemption, or a Credit Event or other early redemption event occurs. This section is qualified in its entirety by, and should be read in conjunction with, the full text of the Base Prospectus and this Pricing Statement.

## Description of Minibond Limited's Notes

The Notes are structured notes that are designed for investors seeking exposure to high-grade assets that provide steady & enhanced\* yields and presents an attractive opportunity to invest in the Notes of Minibond Limited. The Notes may be purchased in multiples of S\$10,000 or US\$5,000.

The Notes will pay investors quarterly at an interest rate of 4.88% per annum on the SGD-denominated Tranche A Notes, or 6.28% per annum on the USD-denominated Tranche B Notes. Investors will have their principal amount returned at the end of 5<sup>3</sup>/<sub>4</sub> years, unless the Issuer redeems its Notes early or any of the following companies suffers a default or similar event (such event termed a “**Credit Event**”):

Reference Entity	S&P <sup>#</sup>	Moody's <sup>#</sup>	Fitch <sup>#</sup>
American Express Company	A+	A1	A+
Bank of America Corporation	AA-	Aa2	AA-
DBS Bank Ltd.	AA-	Aa2	AA-
HSBC Bank PLC	AA	Aa2	AA
JPMorgan Chase & Co.	A+	Aa3	A+
Singapore Telecommunications Limited	A+	Aa2	A
Standard Chartered Bank	A+	A2	A+

If a Credit Event occurs in relation to any one of these Reference Entities, then all of the Notes will be redeemed early at an amount based on the prevailing trading price of bonds or loans of the defaulting Reference Entity. Subsequent credit events on the entities will have no further impact on the Notes. The investor is compensated for taking risk to the entities by earning a higher coupon as compared to an individual investment in the notes of any single Reference Entity.

The entities for this Series were selected (i) to be familiar to the majority of prospective investors; (ii) to be based on the credit ratings of the Rating Agencies (credit rating of “A” or higher); and (iii) in order to provide enhanced\* yield to the investor.

\* As compared against straight bonds or deposits

# Credit ratings shown are senior unsecured debt ratings of the Reference Entities

## Benefits of the Notes

### 1. Enhanced yield\*

- For investors in the SGD Notes, you will receive a total aggregate return of more than 28%<sup>#</sup> over a 5<sup>3</sup>/<sub>4</sub> year period assuming no early redemption.
- For investors in the USD Notes, you will receive a total aggregate return of more than 36%<sup>#</sup> over a 5<sup>3</sup>/<sub>4</sub> year period assuming no early redemption.
- All coupon payments are quarterly to provide you with regular income.

### 2. Diversification across asset classes

- Provides an opportunity for diversifying your investment portfolio. You may be able to increase your personal portfolio returns or reduce your overall personal portfolio risk.

### 3. Transparent investment risk

- Principal risk is based on the credit performance of the Reference Entities stated above.
- Security for your investment is in AA rated securities.

### 4. Choice of currency for your investment of SGD or USD

- On the SGD Notes all interest, principal or early redemption payments will be in SGD.
- On the USD Notes all interest, principal or early redemption payments will be in USD.

### 5. Low Minimum Investment Size

- Available in multiples of SGD10,000 or USD5,000

### 6. Potential for receiving your invested amount back more quickly

- We may elect to redeem the Notes on any interest payment date after 1 year. In this instance you receive your invested amount back early, together with any accrued interest.

### 7. Supplementary retirement scheme (“SRS”) eligibility

- The Tranche A Notes may be applied for using moneys in the applicant's SRS account as further described in the section “How can I buy the Notes?”

\* As compared against straight bonds or deposits

# Total returns payable on the SGD notes (4.88% p.a. or around 28.07% over 5<sup>3</sup>/<sub>4</sub> years) or the USD notes (6.28% p.a. or around 36.11% over 5<sup>3</sup>/<sub>4</sub> years), as the case may be, unless Minibond Limited redeems its Notes early

## Summary of Risk Factors

**The following is a summary of the risk factors and a full discussion of the risk factors is included in the section “Investment Risks”. You should consider carefully whether this product is suitable for you and consider seeking advice before investing in the Notes.**

### **Credit**

- Investors are exposed to the credit risk of the Reference Entities. Your full investment amount is at risk should any one of the Reference Entities experience a Credit Event; in which case you will receive back less, and probably significantly less, than the principal amount invested.
- The Notes are not principal protected nor capital guaranteed.
- Investors are subject to the credit risk of the Underlying Securities.

### **Market**

- If investors try and sell the Notes prior to the maturity date, you may receive an amount which is less than the amount invested. Investors should be prepared to maintain your interest in the Notes until the maturity date. There can be no assurance of a secondary market in the Notes.
- The value of the Notes prior to the maturity date will fluctuate with movements in the broader interest rate and corporate bond markets.

*This section is qualified in its entirety by, and should be read in conjunction with, the full text of the Base Prospectus and this Pricing Statement.*

## Summary of the Invitation

<b>Issuer</b>	Minibond Limited
<b>Issuer Name</b>	Minibond Series 2
<b>Offer Opens</b>	9:00 a.m. on 24 July 2006
<b>Offer Closes</b>	4:30 p.m. on 18 August 2006
<b>Fixing Date</b>	25 August 2006
<b>Issue Date</b>	29 August 2006
<b>Issue Size</b>	Tranche A: Up to SGD 150,000,000 Tranche B: Up to USD 50,000,000 The Issuer reserves the right to retain over-subscriptions of up to twice the issue size offered.
<b>Issue Price</b>	100 per cent. of denomination Please also see section “Other Information”.
<b>Denomination</b>	Tranche A Notes: SGD 10,000 Tranche B Notes: USD 5,000
<b>Scheduled Maturity Date</b>	29 May 2012
<b>Interest</b>	Tranche A Notes: 4.88 per cent. per annum Tranche B Notes: 6.28 per cent. per annum
<b>Interest Payment Dates</b>	Quarterly, on 29 February, May, August, November of each year. The first interest payment date shall be 29 November 2006.
<b>Early Redemption Option of the Issuer</b>	The Issuer has the right, upon giving Noteholders not less than 5 business days' notice, to redeem the Notes at 100% of principal plus the interest then due on any interest payment date falling on or after August 2007 (excluding the Scheduled Maturity Date). The Issuer may redeem early each Tranche separately but each Tranche that is called is redeemable in full only.
<b>Redemption</b>	100 per cent. of the principal amount, unless a Credit Event occurs to any one of the Reference Entities (as defined herein) or there is early redemption other than on exercise of the early redemption option by the Issuer.
<b>Credit Events</b>	“Bankruptcy”, “Failure to Pay” or “Restructuring” happening to any one of the 7 Reference Entities. (These Credit Events have detailed definitions which are set out in “Annex To The Pricing Supplement” and described in “What is a Credit Event and What Happens after a Credit Event Occurs?”)
<b>Reference Entities</b>	American Express Company, Bank of America Corporation, DBS Bank Ltd., HSBC Bank PLC, JPMorgan Chase & Co., Singapore Telecommunications Limited and Standard Chartered Bank, see “The Reference Entities” for more details.



## Summary of the Invitation (continued)

<b>Redemption on a Credit Event</b>	The Notes will be redeemed early and the Credit Event Redemption Amount (as defined herein) will likely be less, and could be significantly less, than the principal invested.
<b>Security for our Notes</b>	The Underlying Securities and swap arrangements with Lehman Brothers Special Financing Inc. as Swap Counterparty.
<b>Underlying Securities</b>	The Underlying Securities will be AA rated U.S. Dollar denominated portfolio credit-linked notes as further described in “Description of the Underlying Securities” below.
<b>Swap Arrangements</b>	The Swap Counterparty will enter into interest rate and/or currency swaps with the Issuer and payments made by it under the swap arrangements will be guaranteed by Lehman Brothers Holdings Inc. as Swap Guarantor.
<b>Supplementary Retirement Scheme (“SRS”) Eligibility</b>	The Notes may be applied for using moneys in the applicant's SRS account as further described in “How can I buy the Notes?”.
<b>Rating</b>	The Notes are not intended to be rated by any rating agency.
<b>Listing and Liquidity</b>	The Notes will not be listed on any stock exchange. Liquidity will be provided by the Market Agent as detailed in the section “Market Making Arrangements” on page 14 of the Base Prospectus.

## Where to Obtain Copies of the Base Prospectus and this Pricing Statement

**Hard copies of the Base Prospectus, and (if any) supplemental Base Prospectus and this Pricing Statement (including any addenda in respect thereof), may be collected free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) as follows:**

**During the application period of any Notes to be issued under the Programme:**

from the office of the Arranger at:

**Lehman Brothers Inc.**

5 Temasek Boulevard  
Suntec Tower Five, #11-01  
Singapore 038985

and from each of the following distributors:

**ABN AMRO Bank N.V., Singapore Branch**

**DMG & Partners Securities Pte Ltd**

**Kim Eng Securities Pte. Ltd.**

**Malayan Banking Berhad, Singapore Branch**

**OCBC Securities Private Limited**

**Phillip Securities Pte Ltd**

**UOB Kay Hian Private Limited**

(collectively, the “**Distributors**”). The contact numbers of the Distributors can be found in the section “How can I buy the Notes?”.

**After the application period of any Notes to be issued under the Programme and for so long as any Notes remain outstanding:** from the office of the Arranger stated above.

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## WHAT IS A CREDIT EVENT AND WHAT HAPPENS AFTER A CREDIT EVENT OCCURS?

The Notes provide investors with steady coupon payments for assuming the credit risks of specified companies (the “**Reference Entities**”).

Investors assume the credit risk of all of these Reference Entities. We will redeem our Notes at 100 per cent. of their principal amount on the Maturity Date (as defined herein), unless a Credit Event happens to any one of the Reference Entities before then. If a Credit Event does happen, we will redeem our Notes in an amount equal to the Credit Event Redemption Amount. The Credit Event Redemption Amount will be based on the prevailing market price of debt obligations of the defaulted Reference Entity. Such amount will likely be less, and could be significantly less, than the principal amount of our Notes.

### **Credit Events and redemption upon a Credit Event**

#### *(i) Credit Event*

A Credit Event means, in summary, one or more of the following events:

- “Bankruptcy”, which includes nine defined circumstances which relate to the corporate dissolution, bankruptcy or insolvency of a Reference Entity or certain defined steps being taken which may lead to the corporate dissolution, bankruptcy or insolvency of a Reference Entity.
- “Failure to Pay”, which includes the failure by a Reference Entity to make payment (in an aggregate amount of not less than USD 1,000,000 or its equivalent) under one or more defined types of borrowing obligations when due.
- “Restructuring”, which includes five defined circumstances which relate to an adverse change in the terms of one or more obligations of a Reference Entity. The adverse change must affect an aggregate amount of not less than USD 10,000,000 or its equivalent of obligations of that Reference Entity. An example may be when a Reference Entity has insufficient funds to be able to redeem outstanding bonds and thus would experience a “Failure to Pay”, so they agree with the bond holders to defer redeeming those bonds until a date in the future.

The above description is a summary intended to convey the general nature of the Credit Events and you should take note of the full definitions set out in “Annex To The Pricing Supplement” below.

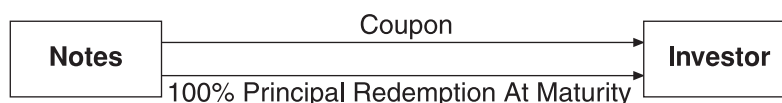
None of (i) a fall in the share price; (ii) non-payment of a dividend; (iii) a corporate reorganisation; and (iv) a ratings downgrade of a Reference Entity would in themselves constitute a Credit Event.

For illustration purposes only and as a hypothetical example, if Reference Entity A becomes insolvent in 2007, a Bankruptcy Credit Event would occur in respect of it and all the Notes of this Series would redeem early, even though the maturity of the Notes is scheduled for 29 May 2012 and even though no Credit Event would have occurred to any of the other six Reference Entities.

If no Credit Event occurs on or before the second Business Day prior to 29 May 2012, the Issuer will redeem the issued Notes at 100 per cent. of their principal amount on the Maturity Date.

(ii) *Credit Event Redemption Amount*

**No Credit Event**



**Upon a Credit Event, Notes redeem early**



If a Credit Event occurs, the Issuer will redeem the Notes in an amount equal to the Credit Event Redemption Amount.

The Credit Event Redemption Amount is calculated based on the prevailing market price of debt obligations of the Defaulted Reference Entity (as defined herein) after the Credit Event. The Credit Event Redemption Amount is equal to the amount which would be realised on the sale of debt obligations of the Reference Entity affected by the Credit Event in a principal amount equal to the Notes, less costs and expenses associated with the termination of the Notes. The Credit Event Redemption Amount will likely be less, and could be significantly less, than the principal amount of the issued Notes.

We will ask dealers for their firm bid price for the debt obligations which will be used in the calculation of the Credit Event Redemption Amount and take the highest bid price obtained from such dealers. Costs and expenses, and amounts we may owe the Swap Counterparty under the swap arrangements for our Notes, may reduce the realisable amount calculated in respect of such debt obligations. The Credit Event Redemption Amount will be paid no later than the 30th business day after the Credit Event Notice is given. The pricing supplement in Appendix 1 has full details.

(iii) *Illustration of financial impact of a Credit Event*

For illustration purposes only and as a hypothetical example, the financial position of Tranche A Noteholders upon the occurrence of a Credit Event is set out below. This is included only to illustrate how our Notes work and you should not rely on them as any indication of the actual redemption amount of our Notes.

In the example, an investor buys SGD 10 million of the Tranche A Notes.

Assuming no Credit Event occurs, we will pay to the investor the coupon at the end of each quarterly period and, upon maturity, will redeem the Tranche A Notes held by that investor at par for SGD 10 million and the final coupon payment.

However, if a Credit Event occurs, the Tranche A Notes will be redeemed in the manner set out below.

Upon the occurrence of a Credit Event in respect of a Reference Entity, the market value of debt obligations of that Reference Entity will likely be much lower than their face amount. For instance, if such debt obligations now have a market value of SGD 4 million instead of SGD 10 million, then the Tranche A Noteholder would suffer a loss of SGD 6 million.

This loss of principal due to the reduction in market value of the relevant debt obligations on the occurrence of the Credit Event will be compensated for or aggravated by (i) the rise or fall in value of the Underlying Securities and (ii) any gain or loss arising from the unwind of the Swap Agreement, respectively.

For example, if the value of Underlying Securities has depreciated from SGD 10 million to SGD 9.5 million and the loss arising from the unwind of the Swap is SGD 0.3 million, the Tranche A Noteholder will then bear an additional aggregate loss of SGD 0.8 million. Thus, instead of receiving a Credit Event Redemption Amount of SGD 4 million, the Credit Event Redemption Amount payable to the Tranche A Noteholder under the Tranche A Notes will now only be SGD 3.2 million. The Tranche A Noteholder will thus be bearing losses from the fall in the market value of the relevant debt obligations and the Underlying Securities, as well as the loss arising from the unwind of the Swap Agreement.

However, if the Underlying Securities have appreciated in value from SGD 10 million to SGD 10.5 million and the loss arising from the unwind of the Swap is SGD 0.3 million, the Tranche A Noteholder will then enjoy a net gain of SGD 0.2 million from the Underlying Securities and the Swap. Thus, instead of receiving a Credit Event Redemption Amount of SGD 4 million, the Tranche A Noteholder will receive SGD 4.2 million.

*(iv) Sequence of Events upon the occurrence of a Credit Event*

For illustrative purposes only, the following is an example of the sequence of events upon the occurrence of a Credit Event. This is included only to illustrate how our Notes work and you should not rely on it other than as an illustration.

- Step 1      A Credit Event occurs in respect of any Reference Entity, for example, as provided above where Reference Entity A becomes insolvent and a Bankruptcy Credit Event occurs in relation to it.
  
- Step 2      The Calculation Agent notifies the Issuer and the Swap Counterparty of its determination of the occurrence of the Credit Event and delivers a Credit Event Notice (as defined herein) on the Credit Event Determination Date (as defined herein). Such Credit Event Notice will contain a description in reasonable detail of the Credit Event, supported by Publicly Available Information (as defined herein). The Issuer will deliver the Credit Event Notice to the Noteholder promptly after the Credit Event Determination Date. The Notes will cease to bear interest with effect from the interest payment date of the Notes immediately preceding the occurrence of such Credit Event (or if there is no such immediately preceding interest payment date, the Issue Date).
  
- Step 3      The Calculation Agent will determine the Swap Settlement Amount (as defined herein) on the Credit Event Determination Date and the Underlying Securities will be delivered by the Issuer to the Swap Counterparty as soon as practicable and in any event no later than the second Business Day following the Credit Event Determination Date.
  
- Step 4      No later than the second Business Day preceding the Credit Event Redemption Date, the Calculation Agent will select the relevant Calculation Obligations (as defined herein). For the purposes of calculating the relevant Settlement Principal Amount and Credit Event Redemption Amount, the Calculation Agent will obtain firm bid prices from dealers in the Calculation Obligations and the Underlying Securities.

- Step 5      The Calculation Agent will use (1) the calculation of the amount by which the market value of the Underlying Securities has risen above or fallen below par and (2) the Swap Settlement Amount to determine the principal amount of the Calculation Obligations, known as “**Settlement Principal Amount**”, that is used to calculate the Credit Event Redemption Amount.
- Step 6      The Swap Counterparty will pay the Credit Event Redemption Amount to the Issuer on a date no later than the 30th Business Day after the Credit Event Notice is given.
- Step 7      The Swap Agreement will terminate once all payments due thereunder have been made.
- Step 8      The Issuer will on the Credit Event Redemption Date redeem the outstanding Notes by paying to the Noteholders the Credit Event Redemption Amount on a *pro rata* basis.

Prospective investors are reminded that, after the occurrence of a Credit Event, the amount to be received by the Noteholders in respect of each Note is likely to be substantially less than the principal amount of such Note. Prospective investors may lose all or substantially all of their investment in the Notes.

(v) *The Reference Entities*

The identity and credit rating of each Reference Entity are set out in the following section “The Reference Entities” of this Pricing Statement.

## THE REFERENCE ENTITIES

Our Notes are credit-linked to the seven Reference Entities. We have no special access to information about the Reference Entities. You must rely on publicly available information about them in deciding whether to buy or hold our Notes.

Except for the disclosure on the credit ratings of the Reference Entities below, neither the Issuer nor the Arranger has conducted or will be conducting independent investigations on the Reference Entities in respect of (i) any legal or regulatory provisions which may materially affect the performance of the Reference Entities, (ii) any significant representations and warranties made concerning the Reference Entities, (iii) any material cross-default provisions relating to the Reference Entities, (iv) the nature and extent of the Reference Entities' exposure to any other entity and (v) the material terms or agreements involving the Reference Entities. Neither the Issuer nor the Arranger makes any representations as to the Reference Entities. Investors should make their own investigations and analysis of the Reference Entities.

We have provided the address, country of incorporation and nature of business of the Reference Entities in "Appendix 3 — Additional Information on the Reference Entities". We have taken care to accurately extract the information in the proper form and context but we are not responsible for such information. You can find further information, such as operations and financial condition, about each corporate Reference Entity on the websites listed in the table below. The information on these websites is not part of our Pricing Statement and neither we nor the Arranger accept any responsibility for such information, including whether that information is accurate, complete or up-to-date.

<i>Reference Entity</i>	<i>Reference Entity's Website</i>	<i>Name and website of principal listing exchange or regulator</i>
American Express Company	www.americanexpress.com	U.S. Securities and Exchange Commission — www.sec.gov
Bank of America Corporation	www.bankofamerica.com	U.S. Securities and Exchange Commission — www.sec.gov
DBS Bank Ltd.	www.dbs.com	Singapore Exchange Securities Trading Limited — www.sgx.com*
HSBC Bank PLC	www.hsbc.com	London Stock Exchange — www.londonstockexchange.com**
JPMorgan Chase & Co.	www.jpmorganchase.com	U.S. Securities and Exchange Commission — www.sec.gov
Singapore Telecommunications Limited	www.singtel.com	Singapore Exchange Securities Trading Limited — www.sgx.com
Standard Chartered Bank	www.standardchartered.com	London Stock Exchange — www.londonstockexchange.com**

\* DBS Bank Ltd. is not listed. DBS Group Holdings Ltd, its parent company, is listed on the Singapore Exchange Securities Trading Limited.

\*\* Standard Chartered Bank and HSBC Bank PLC are not listed. Standard Chartered PLC and HSBC Holdings PLC (each the parent company) are listed on the London Stock Exchange.



We have specified a “Reference Obligation” for each Reference Entity. The Reference Obligations have the respective credit ratings set out in the following table.

<b>Reference Entity</b>	<b>Ratings of Reference Entity (Moody's/Standard &amp; Poor's/Fitch)</b>	<b>Reference Obligation</b>
American Express Company	A1/A+/A+	Primary obligor: American Express Company Seniority: Senior Originally issued amount: USD 1,000,000,000 Maturity date: 15 July 2013 Coupon: 4.875% p.a. ISIN: US025816AQ27 Interest payment dates: Semi annual, on 15 January/July Credit ratings (Moody's/Standard & Poor's/Fitch): A1/A+/A+
Bank of America Corporation	Aa2/AA-/AA-	Primary obligor: Bank of America Corporation Seniority: Subordinated Originally issued amount: USD 3,000,000,000 Maturity date: 15 January 2011 Coupon: 7.40% p.a. ISIN: US060505AG97 Interest payment dates: Semi annual, on 15 January/July Credit ratings (Moody's/Standard & Poor's/Fitch): Aa3/A+/A+
DBS Bank Ltd.	Aa2/AA-/AA-	Primary obligor: DBS Bank Ltd. Seniority: Subordinated Originally issued amount: USD 850,000,000 Maturity date: 15 May 2011 Coupon: 7.125% p.a. ISIN: USY20337AJ30 Interest payment dates: Semi annual, on 15 May/November Credit ratings (Moody's/Standard & Poor's/Fitch): Aa3/A+/A+
HSBC Bank PLC	Aa2/AA/AA	Primary obligor: HSBC Bank PLC Seniority: Subordinated Originally issued amount: EUR 600,000,000 Maturity date: 18 March 2016 (callable in March 2011) Coupon: 4.25% p.a. (up to 18 March 2011) ISIN: XS0164883992 Interest payment dates: Annual, on 18 March Credit ratings (Moody's/Standard & Poor's/Fitch): Aa3/AA-/AA-
JPMorgan Chase & Co.	Aa3/A+/A+	Primary obligor: JPMorgan Chase & Co. Seniority: Subordinated Originally issued amount: USD 2,000,000,000 Maturity date: 1 February 2011 Coupon: 6.75% p.a. ISIN: US46625HAJ95 Interest payment dates: Semi annual, on 1 February/August Credit ratings (Moody's/Standard & Poor's/Fitch): A1/A/A
Singapore Telecommunications Limited	Aa2/A+/A	Primary obligor: Singapore Telecommunications Limited Seniority: Senior Originally issued amount: USD 1,350,000,000 Maturity date: 1 December 2011 Coupon: 6.375% p.a. ISIN: USY79985AC46 Interest payment dates: Semi annual, on 1 June/December Credit ratings (Moody's/Standard & Poor's/Fitch): Aa2/A+/A

<b>Reference Entity</b>	<b>Ratings of Reference Entity (Moody's/Standard &amp; Poor's/Fitch)</b>	<b>Reference Obligation</b>
Standard Chartered Bank	A2/A+/A+	Primary obligor: Standard Chartered Bank Seniority: Subordinated Originally issued amount: USD 700,000,000 Maturity date: 30 May 2031 Coupon: 8.00% p.a. ISIN: XS0130337735 Interest payment dates: Semi annual, on 30 May/November Credit ratings (Moody's/Standard & Poor's/Fitch): A3/A/A

If a Credit Event occurs, the Reference Obligations (set out above) are used to provide a benchmark (with respect to ranking in priority of payments) for selecting the bonds and loans which would be used to calculate the Credit Event Redemption Amount. Only bonds or loans that rank (in order of creditor priority) at least equally with the specified Reference Obligation in a liquidation of the Reference Entity may be selected.

The Reference Obligations set out above may be replaced with another debt or other obligation of the Reference Entity (of equivalent seniority to the relevant Reference Obligation) if the relevant Reference Obligation is redeemed or ceases to be a binding obligation of the Reference Entity.

The reference obligations for most of the Reference Entities are subordinated notes. This means that those notes will only be repaid after all the senior and unsubordinated creditors of the relevant Reference Entity have been paid in full. The rating agencies take this seniority of obligations into account in assigning their credit ratings.

There is no relationship between us and any of the Reference Entities in relation to the Offer. All credit ratings shown are for Moody's/Standard & Poor's/Fitch. The credit ratings are as at 18 July 2006.

There can be no assurance that any stated credit rating will remain in effect for any given period or that any such rating will not be revised by the relevant rating agency in the future if, in the relevant rating agency's judgment, circumstances so warrant. Credit ratings can change if the credit rating agency thinks that the credit quality of a rated entity or obligation has increased or decreased. A downward revision of a credit rating however does not in itself constitute a Credit Event under our Notes.

There is a brief guide as to what credit ratings mean as shown in "Appendix 2 — A brief guide to credit ratings".

Information on the Reference Entities' ratings can be obtained from the website of Moody's at [www.moodys.com](http://www.moodys.com), the website of Standard & Poor's at [www.standardandpoors.com](http://www.standardandpoors.com) and the website of Fitch at [www.fitchratings.com](http://www.fitchratings.com).

Under the terms of our Notes, a Reference Entity may in limited circumstances be replaced with another entity — its successor — which will then become for all purposes a Reference Entity. The circumstances in which this could happen relate to mergers, demergers, spin-offs and similar corporate reorganisations. Further information can be found under "Successor" and "Succession Event" definitions in "Annex To The Pricing Supplement".

## INVESTMENT RISKS

*There are investment risks involved in buying our Notes. Before applying for any of our Notes, you should consider whether our Notes are suitable for you in light of your own financial circumstances and investment objectives. If you are in any doubt, get independent professional advice. In addition to the risks set out in the Base Prospectus, you should consider the following additional risks.*

### **You are exposed to the credit risk of the Reference Entities; the Reference Entities could change in a succession event**

You will receive back less, and probably significantly less (potentially as low as zero), than the principal amount you invested if a Credit Event occurs to any one of the Reference Entities.

- The creditworthiness of the Reference Entities could be affected by business, economic, political, financial, social, environmental and other events both locally and globally. Events of these types could affect one or more Reference Entities in the future and make it more likely that a Credit Event may happen.
- Our Notes are linked to the credit risk of the Reference Entities. This means that the first Credit Event to occur to any one of the Reference Entities will lead to our Notes being redeemed at a Credit Event Redemption Amount calculated by reference to the price of the borrowing obligations of the Reference Entity which has suffered the Credit Event. Usually, the price of borrowing obligations will drop when the circumstances leading to a Credit Event become known and the value of our Notes and the Credit Event Redemption Amount would likely be less or significantly less than the principal amount.
- A Reference Entity may, if there is a succession event (as defined in “Annex To The Pricing Supplement”) such as a merger, de-merger or spin-off, be replaced by the successor (as defined in “Annex To The Pricing Supplement”) in the succession event to all or substantially all its obligations. The successor Reference Entity could have a different, and worse, credit rating than the predecessor Reference Entity.

### **Our Notes are not principal protected; you could lose part, and possibly all, of your investment**

- If a Credit Event happens to any one of the Reference Entities prior to the Maturity Date, you will only receive back the Credit Event Redemption Amount, which will likely be less, and could be significantly less, than the principal amount you invested. If a Credit Event occurs on or shortly prior to the Maturity Date, the Credit Event Redemption Amount could be paid after the scheduled Maturity Date of 29 May 2012. We will not pay any more interest on our Notes after a Credit Event or an early redemption of our Notes and we will not pay interest for any part of the quarterly interest period during which the Credit Event happens or the early redemption is made.
- If the Underlying Securities are repaid early for any reason, for example because there is an Event of Default under the Underlying Securities or for tax reasons, or if the principal amount of the Underlying Securities is reduced in accordance with their terms, we will have to redeem our Notes early.

- We will have to redeem our Notes early in the other following circumstances:
  - if there is an Event of Default under our Notes;
  - if the Cayman Islands imposes taxes on us or on payments under our Notes which we cannot avoid; or
  - the swap arrangements for our Notes are terminated for any reason.
- If we have to redeem our Notes early, we will have to cancel the swap arrangements and sell the Underlying Securities for our Notes in order to make the redemption. You will only get back, as the early redemption amount, your share of the proceeds of sale of the Underlying Securities, which may be worth less than their principal amount, less any amounts which we may owe to the Swap Counterparty (or plus any amounts we may be owed by the Swap Counterparty) because of the early termination of the swap arrangements. The amount of any termination payment under the swap arrangements will be based on the cost of entering into a swap transaction with the same terms and conditions that would have the effect of preserving the economic equivalent of the Swap Agreement. A termination payment could be a substantial amount. For example, exchange rates or interest rates may change so that when the termination amount is calculated it would be expensive to enter into a swap arrangement at that time which give the parties the same cash flows as under the swap arrangements which we agreed at the time we issued our Notes. It is likely that your early redemption amount will be less, and could be significantly less, than the principal amount of your Notes.

In all the above cases, the amount we will be able to pay back on our Notes will likely be less, and could be significantly less, than the principal amount of our Notes. It is possible that you could lose all of your investment.

**The Underlying Securities which back our Notes will be selected according to specified criteria, including their credit rating; the Underlying Securities will be portfolio credit-linked notes (often termed as “synthetic collateralised debt obligation securities”)**

- We will not select the Underlying Securities until shortly before the Issue Date of our Notes; you will therefore have to rely on the criteria which the Underlying Securities must meet in reaching your decision on whether to buy our Notes: when you make your decision you will not know exactly what the Underlying Securities will be.
- The Underlying Securities will be AA rated (and not subject to negative watch or review for possible downgrade) on the Issue Date of our Notes. The credit rating of the Underlying Securities could, however, change after the Issue Date if, in the opinion of the credit rating agency, the credit quality of the Underlying Securities declines.
- The value of the Underlying Securities could be less than its principal amount if the credit quality of the Underlying Securities has declined since the Issue Date of our Notes or if there is no liquid market in which to sell the Underlying Securities. You may consequently receive a redemption amount less than the principal amount of the Notes, subject to a minimum of zero. A loss in value of the Underlying Securities in these circumstances would be borne by you.

## **Our Notes do not have a liquid trading market**

If you try to sell your Notes before maturity you may receive an offer which is less than the amount you invested or you may not be able to sell your Notes at all.

**The only assets which back our Notes are the Underlying Securities and the swap arrangements; the Swap Counterparty's claims against the Underlying Securities will be paid ahead of Noteholders' claims if we have to redeem our Notes early**

We have no significant assets other than the Underlying Securities and the swap arrangements which back each Series of our Notes. The claims of Noteholders against us are limited in all circumstances to the value of the Underlying Securities and any amounts due to us under the swap arrangements.

Under the Trust Deed which constitutes our Notes, the claims of the Trustee, CDP, Euroclear, Clearstream, Luxembourg, the Agents and the Corporate Services Provider for their expenses, and of the Swap Counterparty for any amounts due to it under the swap arrangements, including any termination payment as compensation for early termination, will be paid first out of the proceeds of the Underlying Securities before the claims of Noteholders are met.

The assets which back each Series of our Notes are kept strictly segregated and are available to meet only those claims as are specified in the Supplemental Trust Deed which constitutes the Series of Notes which they back.

You will have no further claim against us for any loss of your investment after we have paid out all the proceeds of the Underlying Securities and, if any, termination of the swap arrangements for your Notes. You have no right to have us wound up or put into administration.

**The number of Reference Entities to which our Notes are credit-linked may have an impact on the investment risk**

Our Notes are credit-linked to seven Reference Entities. All else being equal, a higher number of Reference Entities means that the risk of a Credit Event occurring in respect of any one of the Reference Entities would be higher, and thus the investment risk would also be higher.

## FREQUENTLY ASKED QUESTIONS

*Who is Minibond Limited?*

Minibond Limited is a limited liability company incorporated in the Cayman Islands. It is a special purpose company that will issue Notes pursuant to the Programme.

*What is the purpose of this financial product?*

The Notes are an investment product intended to provide investors with a fixed coupon for assuming exposure to the credit risk of companies with at least an investment grade credit rating as of the date of this Pricing Statement.

Investors gain exposure to the credit risk of the Reference Entities without directly holding the debt obligations of the Reference Entities and without involving any Reference Entity in the transaction. This is achieved by linking payment of the principal and interest on the Notes to a Reference Entity's default (defined as a Credit Event). Please read the sections "What is a Credit Event and What happens after a Credit Event occurs?" and "The Reference Entities".

*What are the key risks for the investor in the Notes?*

Please read the section "Investment Risks" above.

*What should I be prepared to do?*

Before investing in the Notes, investors should be prepared to:

- (i) bear the economic risk of an investment in the Notes for the period until the Maturity Date of the Notes;
- (ii) acquire an interest in the Notes for their own account for investment purposes, and recognise that it may not be possible to make any transfer of the Notes for a substantial period of time; and
- (iii) recognise that it may not be possible to sell or redeem the Notes prior to the Maturity Date.

The Notes are not suitable for everyone. You should make sure you understand how the Notes work and that an investment in the Notes is appropriate for you in light of your own individual financial position and investment objectives before deciding whether or not to invest.

*Are the Notes principal or capital protected?*

The Notes are neither principal protected nor capital protected. If a Credit Event happens to any one of the Reference Entities before the Maturity Date, you may lose part, or possibly all, of your investment.

The Issuer would also have to redeem its Notes early, at an amount that will likely be less than their principal amount, (i) if there was a default on (or other unexpected early repayment of) the Underlying Securities which back the Notes; (ii) if the swap arrangements were terminated early; (iii) if there was an Event of Default under its Notes; or (iv) if the Issuer became, unexpectedly, subject to taxation in the Cayman Islands, where it is incorporated. The Base Prospectus contains full details on the foregoing in the section "Master Terms and Conditions of the Notes".

*What is my money used for?*

Your money will be used to purchase the Underlying Securities that secure the Notes.

*What are the assets which back up the Notes?*

These are the assets which the Issuer will purchase with the money you invest with it when you buy the Notes offered by this Pricing Statement and the other contracts the Issuer will enter into to make sure it can meet its obligations under the Notes:

- (i) Underlying Securities;
- (ii) interest rate and/or currency swap; and
- (iii) credit default swap.

*Can I sell my Notes before their Maturity Date?*

You may sell your Notes through your Distributor on any Friday (excluding public holidays) falling 3 months after the Issue Date, provided that the Notes are still outstanding and have not been redeemed. These Distributors may then get a quote from Lehman Brothers International (Europe) as the Market Agent, who intends to quote prices on a best efforts basis on one day each week (which is expected to be Friday). However, the Market Agent may be unable to quote a price or may decide to discontinue this service.

Neither the Issuer, the Arranger, the Market Agent and the Distributor is responsible for the establishment or maintenance of a secondary trading market in its Notes.

The trading price of the Notes will fluctuate depending on factors such as market interest rate movements, the market's view of the Reference Entities' credit quality and the market's view of the value of the Underlying Securities. Also, the price of the Notes could be affected if there are only very few potential buyers in the market for the Notes.

If you try to sell your Notes before maturity, you will likely receive an offer which is less than the amount you invested; or you may not be able to sell your Notes at all.

The Notes are not listed and cannot be traded on any stock exchange. You should note that no secondary market for the Notes currently exists and there is no guarantee that one will develop. You should have the ability and intent to hold the Notes until their Maturity Date.

*How can the Issuer pay me back?*

The Issuer uses the redemption proceeds received on the Underlying Securities together with the proceeds of the Swap Agreement to redeem the Notes at par.

*What if the scheduled payment date falls on a weekend?*

Scheduled dates for payment of interest and redemption at maturity should be days (other than a Saturday) on which banks and foreign exchange markets are open for business in New York City and Singapore. If such dates falls on a weekend or a non-working day, the payment dates will be postponed to the next such Business Day, if necessary. We may not pay any extra interest for such delay in payment.

*When will the Notes be repaid? What is the call option?*

The Notes are scheduled to mature in 2012. However, the Issuer holds a "call option", which means it can choose to repay the Notes early on any interest payment date which is scheduled to fall on or after August 2007. If the Issuer uses its call option to repay the Notes early, it will repay

100% of the principal amount, plus the interest due on the interest payment date fixed as the early redemption date. The Issuer will not pay any more interest after that. Depending on interest rates available in the market at the time the Issuer repays its Notes, you may or may not be able to reinvest your money at rates comparable to the rates the Issuer would have paid on the Notes had the Issuer not repaid them early.

*Where can I see the further documentation for the Notes?*

The Pricing Supplement is appended; however further documentation for the Notes can be found on display at the office of the Arranger.

*Can the Underlying Securities or swap arrangements be changed after the issue of the Notes?*

No, however, you should note that the swap arrangements may terminate on the occurrence of certain specified events. See the section on “Description of the Swap Agreement and the Swap Guarantee” in the Base Prospectus for more information on this. Upon early termination of the swap arrangements, the Notes will redeem early.

The Issuer will agree with Lehman Brothers International (Europe), in an exchange option agreement to be dated on or around the Issue Date, that if Lehman Brothers International (Europe) surrenders to the Issuer for cancellation Notes which it owns, the Issuer will deliver to it the portion of the collateral which backs those Notes and cancel the corresponding portion of the swap arrangements. The Issuer has agreed to this arrangement to facilitate the making of a secondary market in the Notes by Lehman Brothers International (Europe). If, for example, investors in the Notes sell their Notes to Lehman Brothers International (Europe) as the market maker of the Notes in order to exit their investment before maturity, the exchange option agreement allows the size of the issue to be reduced accordingly.

*What is the role of Lehman Brothers Inc.?*

The Arranger is a wholly owned subsidiary of Lehman Brothers Holdings Inc. and is incorporated with limited liability in the State of Delaware, the United States and operates a branch office in Singapore. Its principal business activities include securities trading as principal and agent, securities underwriting, investment and merchant banking and financial advisory services. It will assist the Issuer by arranging each Series of Notes.

*Will the Notes be guaranteed by the Arranger?*

No, the Notes will not be obligations of and will not be guaranteed by any party, in particular, the Arranger, the Swap Counterparty, the Swap Guarantor, the Calculation Agent or any of their respective affiliates.

*What is the role of Lehman Brothers Special Financing Inc., the Swap Counterparty?*

The Swap Counterparty, Lehman Brothers Special Financing Inc., is a wholly owned subsidiary of Lehman Brothers Inc. and was incorporated with limited liability for an unlimited duration in the State of Delaware, the United States on 17 August 1984. The Swap Guarantor, Lehman Brothers Holdings Inc., conducts a substantial portion of its fixed income derivatives product business through the Swap Counterparty. In connection with the issue of this Series of Notes, the Swap Counterparty will enter into a Swap Agreement with the Issuer, so as to provide the Issuer with the benefit of swap facilities to meet its obligations under the Notes. Payments made by the Swap Counterparty under the Swap Agreement will be guaranteed by the Swap Guarantor. As at the date of this Pricing Statement, Lehman Brothers Holdings Inc. has a long term debt rating of A1/A+/A+ by Moody's, Fitch and Standard & Poor's respectively.



*Will the Transaction Participants always act in my best interests?*

Any Transaction Participant, whether by virtue of the types of relationships described herein or otherwise, at any time, may be in possession of information in relation to a Reference Entity that is or may be material in the context of the issue of the Notes and which may or may not be publicly available or known to investors in the Notes. In using such information, whether in the usual course of business or otherwise, any step or action taken by such Transaction Participant may not always be to the benefit of the investors in the Notes.

*How will the Arranger and Swap Counterparty be compensated?*

In executing the swaps, the Swap Counterparty will generate a profit based on the difference between the price at which such swaps are executed with the Issuer and the price at which such swaps can be hedged in the market. The Swap Counterparty and/or the Arranger may also generate a profit from the Underlying Securities. Such profit will fluctuate throughout the offer period as market pricing on interest rate and credit risk fluctuates. The Swap Counterparty will pay the fees of the Arranger in respect of this Series of Notes.

*What does the Calculation Agent do?*

The Calculation Agent, Lehman Brothers Asia Limited, will make determinations, and exercise discretion, under the terms and conditions of the Notes on behalf of the Issuer including if and when a Credit Event has occurred, whether or not to give notice that a Credit Event has occurred, the calculation of the Credit Event Redemption Amount and whether it is necessary to replace a particular Reference Entity with a “successor” entity and/or Reference Obligation. The Calculation Agent has sole and absolute discretion in making its determination and exercising its discretion under the legal documentation. Any decision it makes is final and binding on investors in the Notes and on the Issuer and the other parties involved in the Notes. The Calculation Agent must make its determinations and exercise its discretions in accordance with the terms and conditions of the Notes. The Calculation Agent is the Issuer’s agent and owes no duty to you as investors in the Notes. More information about the role of the Calculation Agent is provided at the section “What is a Credit Event and What Happens After a Credit Event Occurs?” at point (iv) “Sequence of Events upon the occurrence of a Credit Event” above. Lehman Brothers Asia Limited is an indirect, wholly-owned subsidiary of the Arranger.

*How will I know if there is a Credit Event?*

The Issuer will give notice either directly, or via the relevant clearing system, after the determination has been made. When the Credit Event Redemption Amount has been calculated, the Issuer will notify investors in the Notes of such amount and the date on which it shall be paid either directly, or via the relevant clearing system.

## LEGAL AND STRUCTURAL MATTERS

*The information set out in this section is a summary of the principal features and the identities of the parties for this Series of Notes. This summary should be read in conjunction with, and is qualified in its entirety by reference to the detailed information appearing in the Base Prospectus, the terms of the Trust Deed, the Notes and the Global Notes.*

### 1. What does the Issuer do?

The Issuer is a limited liability company incorporated on 7 December 2005 in the Cayman Islands. Its sole purpose and business is to issue Notes under the Programme.

All the Notes arranged under the Programme are arranged for the Issuer by the Arranger, Lehman Brothers Inc., and the Issuer will always use all of the proceeds of issue of the Notes to buy the assets on which these Notes are secured. These assets are identified for the Issuer by the Swap Counterparty to match the obligations of the Issuer under the Notes and the Issuer buys these assets from an affiliate of the Arranger. The Issuer has no other significant assets; its issued share capital is only USD 1,000.

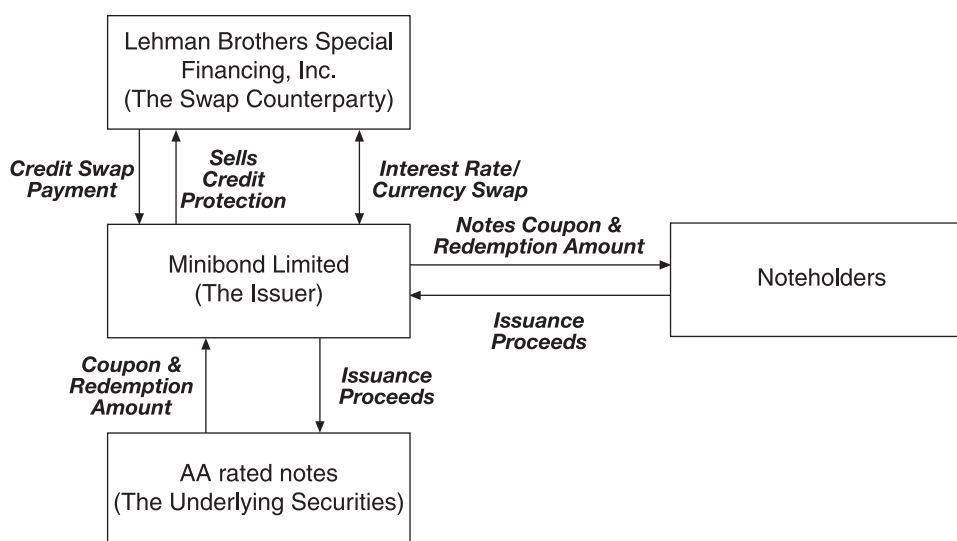
All of the Issuer's shares are beneficially owned, through trust arrangements, by specified charities.

In summary, the essence of the transaction lies in the Issuer:

- (i) issuing Notes under the Programme on the Issue Date and purchasing the Underlying Securities (see section on "Description of the Underlying Securities" below);
- (ii) making interest payments and principal repayments on the Notes to investors which are linked to the credit risk of each Reference Entity (see section on "The Reference Entities" above); and
- (iii) entering into swap arrangements with the Swap Counterparty, to enable the Issuer to make the interest payments and principal repayments on the Notes to investors with the income derived from the Underlying Securities and the Swap Agreement (see sub-section 2 on "Swap Arrangements" below).

While the Notes themselves are not intended to be rated by any rating agency, the Reference Entities will have investment grade ratings as of the date of this Pricing Statement and the Underlying Securities will have a AA rating as of the Issue Date, as detailed in the section "The Reference Entities" and "Description of the Underlying Securities" respectively.

The structure of this Series of Notes to be issued under the Programme is illustrated as follows:



## 2. Swap arrangements

The Issuer will enter into a Swap Agreement with the Swap Counterparty which is intended to enable it to meet its payment and other obligations under the Notes. The Swap Agreement consists of interlinked swap arrangements which include the Interest Rate Swap, the Currency Swap and the Credit Default Swap.

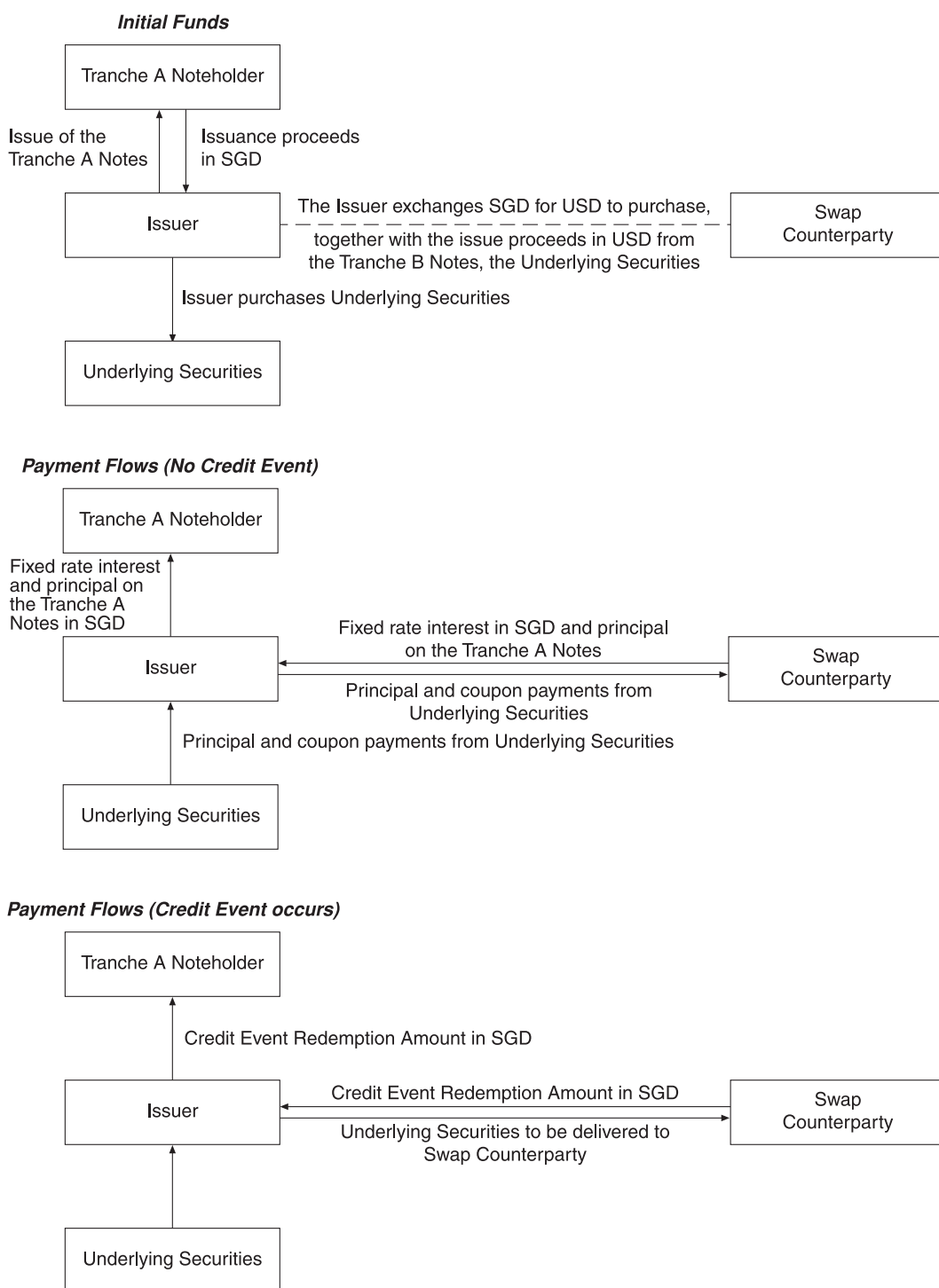
- Interest Rate Swap and/or Currency Swap: the Issuer will enter into swap arrangements with the Swap Counterparty to swap the amounts of interest and principal the Issuer receives on the Underlying Securities into the amounts it needs to pay out on the Notes.

In practice, this means that on each interest payment date in respect of the Underlying Securities, the Issuer will pay to the Swap Counterparty a sum equal to the interest received by the Issuer in respect of the Underlying Securities; and on each interest payment date in respect of the Notes, the Swap Counterparty will pay to the Issuer an amount equal to the interest due on the Notes.

- Credit Default Swap: the Issuer will also enter into an agreement with the Swap Counterparty under which the Swap Counterparty will pay the Issuer a premium for providing credit protection against the credit losses on the Reference Entities. If a Credit Event does happen to a Reference Entity, the Issuer will deliver the Underlying Securities to the Swap Counterparty or an affiliate and the Swap Counterparty will pay the Issuer an amount equal to the Credit Event Redemption Amount due on the Notes.

Lehman Brothers Holdings Inc. has unconditionally guaranteed to the Issuer the due and punctual payment of all amounts payable by the Swap Counterparty under the Swap Agreement. The Notes will not be obligations of and will not be guaranteed by Lehman Brothers Holdings Inc.

For a diagrammatic representation of what the Swap Counterparty does using the Tranche A Notes as an example:



The Underlying Securities will bear interest on a floating rate basis. On each date on which an interest payment is payable under the Underlying Securities, the Issuer will, pursuant to its obligations under the Swap Agreement, pay to the Swap Counterparty the amount of interest scheduled to be received in respect of the Underlying Securities. The Swap Counterparty will, pursuant to its obligations under the Swap Agreement, one day prior to each interest payment date of the Notes, pay to the Issuer the amount of interest payable by the Issuer on the Notes on such interest payment date.

As the amount payable by the Swap Counterparty pursuant to its payment obligations under the Swap Agreement on each interest payment date of the Notes is equivalent to the interest payment payable by the Issuer on the Notes, the Issuer does not expect that there will be any liquidity surplus or any material liquidity shortfall. The Issuer will not provide any credit enhancement or any liquidity support in respect of interest payments to be made on the Notes. In the event the Issuer or the Swap Counterparty, or failing whom, the Swap Guarantor, is unable to meet its obligations under the Swap Agreement, no interest payment will be made on the Notes and the Notes will be redeemed early, which may be at an amount below par.

### **3. Security Arrangements**

The Issuer will grant security over the Underlying Securities to the Trustee for the Notes, who will hold such security via the Custodian, The Hongkong and Shanghai Banking Corporation Limited, on behalf of, *inter alia*, the Trustee and the Noteholders. The Issuer will also collateralise its obligations under the Swap Agreement by granting security to the Swap Counterparty over the Underlying Securities. There will be a further charge on the Underlying Securities to be held by the Custodian in favour of the Trustee.

In the event that the Issuer defaults on its obligations under the Swap Agreement or the Underlying Securities are required to be sold or the security constituted by the Trust Deed becomes enforceable, the net proceeds could be insufficient to pay all the amounts due to Noteholders under the Notes. However, the Noteholders may not take steps to petition or wind-up the Issuer nor will they have a claim in respect of any sum arising from the Underlying Securities of other Series of Notes due to the limited recourse nature of the Notes which means that the assets which back up each Series of Notes are kept separate from the assets which back up other Series. In such an event, the Swap Counterparty, the Trustee and the Custodian shall rank prior to the Noteholders in the application of moneys received in connection with the realisation of security.

## DESCRIPTION OF THE UNDERLYING SECURITIES

*The following is a summary description of the Underlying Securities relating to this particular issue of Notes.*

The Underlying Securities for this Series of Notes will consist of portfolio credit-linked notes (often termed “synthetic collateralised debt obligation securities”) that have the following characteristics:

- USD-denominated principal amount equivalent to the total principal amount of the Series of Notes issued, which will be determined on or around the Fixing Date<sup>1</sup>;
- Coupon rate of 3-month USD LIBOR<sup>2</sup> plus a margin, to be determined by the Arranger on the Fixing Date;
- Interest that is payable quarterly on a day that is no later than the corresponding payment date of the Notes;
- Are rated AA or Aa2 by any one of the Rating Agencies: Standard & Poor’s, Moody’s and/or Fitch;
- Not be subject to any negative Credit Watch of Standard & Poor’s or review for possible downgrade on Moody’s Watchlist or not be subject to Fitch Rating Watch Negative;
- Be acceptable to the Swap Counterparty as a lending source for the obligations of the Issuer under the swap arrangements; and
- Mature on or before the maturity date of the Notes.

In determining the rating of the Underlying Securities, the Rating Agency will perform detailed due diligence on the structure of the Underlying Securities and the Portfolio (as defined below). The Underlying Securities for this Series of Notes is expected to be secured by a note, a fund or cash, in a principal amount equivalent to the total principal amount of the Series of Notes issued.

The Underlying Securities will reference a static pool of entities/obligations (the “**Portfolio**”) and redemption at maturity is dependant upon the credit performance of the Portfolio. The Underlying Securities will be exposed to the credit risk of the Portfolio and follow credit event definitions similar to those outlined in this Pricing Statement for determination of when losses occur: such as bankruptcy, failure to pay and restructuring. The level of credit enhancement provided against loss on the portfolio of the Underlying Securities is expected to represent a minimum of 105% of that required by the applicable rating agency for the assignment of a “AA” or “Aa2” rating, as the case may be.

When an entity in the Portfolio experiences a credit event, a determination will be made if the market value of one of the entity’s debt obligations (a “**Deliverable Obligation**”) has fallen below its principal amount (i.e. less than 100 per cent.). If it has fallen, then a loss amount for the Portfolio is calculated based on the fall in market value below 100 per cent. and the weighting of that entity in the Portfolio.

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<sup>1</sup> “**Fixing Date**” means the date on which the Allocation Agent will fix the allocation for the Notes.

<sup>2</sup> “**USD LIBOR**” means the rate as appears on Telerate page 3750 as at 11 a.m. London time on the day falling two London banking days (meaning any day on which banks are open for general business in London) prior to the first day of an interest accrual period.

Investors in the Notes are exposed to principal losses on the Underlying Securities and to the prevailing market price of the Underlying Securities where a Credit Event occurs. Upon any loss of principal or any event of default on the Underlying Securities, the Notes will be redeemed early. In this instance, the Underlying Securities will be sold and the investor will bear any loss incurred equal to the difference between par and the price at which the Underlying Securities are sold (for full details see “Annex To The Pricing Supplement” under “Underlying Securities Default Event”). As the Underlying Securities will be customised for this Series, it is likely that the investor will suffer from the lack of an active trading market in the Underlying Securities and such loss will therefore likely be larger than would be incurred on more liquid securities.

If the Underlying Securities mature before the Notes, the redemption moneys received will be paid into an account to be used by the Issuer for direct repayment of the Notes on the Maturity Date. Cash held in the account in this way will be subject to security in favour of the Trustee.

The Issuer does not expect, to the best of its knowledge, that there will be any legal or regulatory provisions which would materially affect the performance of the Underlying Securities.

## HOW CAN I BUY THE NOTES?

You can buy our Notes through any of our Distributors listed here. Call one of the hotlines below to find out more about how to buy through a Distributor or to get a list of branches where you can place your order through the Distributor for our Notes. You can also find out how to get a copy of our Base Prospectus by calling a hotline during normal business hours. For more detailed information on the offer procedure, please read “Appendix 4 — Terms, Conditions and Procedures for Application and Acceptance of the Notes”.

<u>Distributor</u>	<u>Hotline Number</u>
ABN AMRO Bank N.V., Singapore Branch	1800 ABN AMRO (226 2676)
DMG & Partners Securities Pte Ltd	6538 3773
Kim Eng Securities Pte. Ltd.	6226 0300
Malayan Banking Berhad, Singapore Branch	1800-MAYBANK (1800-629 2265)
OCBC Securities Private Limited	6538 4775
Phillip Securities Pte Ltd	6531 1555
UOB Kay Hian Private Limited	6536 9338

### How long is the Offer open?

This is the offering and issue timetable. We are offering our Notes for a limited period only. We may, where market conditions become adverse, close the Offer early, without prior notice. We also reserve the right to cancel the Offer so long as the Notes have not been issued. An announcement may be made in a newspaper having public circulation in Singapore in respect of any changes to the Offer period. We will fix the issue size in our discretion according to market demand (up to twice the original issue size offered).

Offer opens:	9.00 a.m. on 24 July 2006
Offer closes:	4.30 p.m. on 18 August 2006
Fixing Date:	25 August 2006
Issue Date:	29 August 2006

### Can I apply for the Notes using the moneys in my SRS account?

Yes. We have made arrangements with the SRS operators to allow you to apply for the Notes using the moneys in your SRS account. The application procedure is the same as that set out below and in the Base Prospectus except that you will have to indicate on the Notes Application Form (as defined below) that you are using SRS account moneys to make payment for the Notes. You will have to provide the bank with whom your SRS account is opened and also the account number. SRS applications cannot be made online through the internet website, [www.poems.com.sg](http://www.poems.com.sg), of Phillip Securities Pte Ltd. SRS account moneys cannot be used on joint applications for the Notes.

If you have been successfully allocated with the Notes, the Notes will not be held in your direct Securities Account with CDP but rather in the SRS operator’s account with CDP and you will have to rely on your SRS operator to provide you with notices given by us and to credit any payments of principal and interest that we make directly into your SRS account.

If you are selling your Notes before maturity through the Distributors to the Market Agent, the same procedures, as set out on page 14 of the Base Prospectus, will also apply except that additionally, you will have to inform the Distributor that you have purchased the Notes using your SRS account moneys and to provide the Distributor with your SRS account details. The proceeds of sale will be credited into your SRS account.



### **Are all the Distributors the same? What must I have before I apply for the Notes through a specific Distributor?**

Distributors charge varying handling fees in connection with the subscription of Notes. Ensure you are familiar with the fees that you may be charged. Distributors may also charge fees for opening and maintaining accounts with them. Ask your Distributor if you are not familiar with these arrangements. If you want to make an electronic application through the internet, you would need to be an existing account holder or open a new account with Phillip Securities Pte Ltd.

Unless you are applying for the Notes using your SRS account moneys, you must have an existing direct securities account with CDP or a securities sub-account with a Depository Agent. Depending on the Distributor you approach, you may be able to open a securities sub-account with the Distributor who will hold the Notes on your behalf in your account with them. Such Distributor may charge you fees for providing such services. If you do not have a CDP account, you may either apply for a CDP account through the Distributors or open an account directly at CDP. If you are using your SRS account moneys, the Notes will be held in your SRS operator's account with CDP. You do not need a direct securities account with CDP nor would you need to provide your CDP securities account details to the Distributor. Again, please ask your Distributor if you are not familiar with these arrangements.

Where you are relying on your Distributor to hold the Notes on your behalf, please note that your Distributor may choose to hold the Notes for you through either CDP or Euroclear. Please speak to your Distributor for more details, including any additional fees that may be payable.

### **Are Notes available only from the Distributors?**

We have published this Pricing Statement and the Base Prospectus so our Notes can be sold to the public through the Distributors. However, we may make arrangements for our Notes to be sold through other channels, whether in Singapore or abroad, which are not set out in this Pricing Statement. Offers of Notes made through other channels could be made at a different issue price, or on other terms, than are available to investors who buy Notes through a Distributor specified in this Pricing Statement.

As stated in the section "Other Information" below, we may sell our Notes to institutional investors, which may be banks, on terms different from those offered in this Pricing Statement. Such institutional investors may then sell our Notes, with certain restrictions, to customers who meet a prescribed legal criteria, on any terms they choose.

### **When and how should I make payment for the Notes?**

Your Distributor will discuss with you how payment should be made on the Notes. We will only collect moneys from the Distributors and the moneys will be deducted from your SRS account after the Fixing Date when the results of the allocation have already been decided.

Unless you are applying for the Notes using your SRS account moneys, at the time of application, you may be required to (i) sign a direct debit authorisation to your Distributor for the subscribed amount of Notes; (ii) maintain an account balance with your Distributor until the Issue Date; (iii) deposit funds, which will be held on your behalf by the Distributor, into a designated account; or (iv) or comply with such other method of payment stipulated by the Distributor. Upon successful allocation, your funds will be debited by your Distributor in an amount equal to the principal amount of Notes allocated to you. Please talk to your Distributors about the specific arrangements for payment.

If you are applying for Notes using your SRS account moneys, funds from your SRS account will be debited according to the principal amount of Notes which you have been successfully allocated. You must ensure that your SRS account has sufficient funds to pay for the principal amount of Notes applied for.

**How will I know that I am successful in my application? Will I be refunded the excess moneys of my application?**

On successful allocation, you will be informed by your Distributor as to the amount of Notes you have been allocated. Contact your Distributor for details on how they will inform you. Neither we, the Arranger nor the Allocation Agent will be, nor will we be responsible for, publishing the results of the allocation in any newspapers.

If you applied by way of the printed Notes Application Form and made payment by way of a direct debit authorisation to your Distributor or a deposit of funds held on behalf by your Distributor or such other method of payment, and such application is accepted in part only, the balance of your applications moneys will generally be refunded by ordinary post at your own risk (without interest or any share of revenue or other benefit) within 14 Business Days after the close of the Offer, provided that the direct debit authorisation accompanying such application has been honoured and such moneys have been received in the designated account or that the funds have been received by the Distributor in the designated account. Otherwise, your Distributor will only collect moneys from you upon successful allocation of the Notes.

If you applied by way of electronic application through the internet website, [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd, moneys will only be collected from you upon successful allocation of the Notes.

In any event and if applicable, please note that the Distributors are responsible for the timely refund of the application moneys for unsuccessful or partially successful applications. The refund procedures and mechanism are ultimately dependent on your agreement with the Distributor. Please check with your Distributor as to how it intends to refund your moneys in the event of an unsuccessful or partially successful application.

If you are using SRS account moneys to purchase our Notes, only the principal amount of the Notes successfully allocated will be deducted from the balance standing to the credit of the SRS accounts. You can either contact your SRS operator to enquire about your allocation or rely on the monthly statement sent by your SRS operator to find out if you have been successfully allocated.

**I have been successfully allocated Notes. What happens next? Do I get a certificate for my Notes?**

The Notes will be issued in bearer form which will be represented by a Global Note and deposited with CDP. We do not intend to issue definitive certificates for the Notes to investors. The Notes are expected to be issued to investors on or around the Issue Date.

Where the Notes are held in your direct Securities Account with CDP, CDP will credit your Securities Account with them, on or around the Issue Date, with the principal amount of Notes that you have been successfully allocated. You will not be receiving any definitive Note. Your CDP statement will show you the amount of Notes you own. We will also pay interest and principal on the Notes through CDP.

Where the Notes are held by your Depository Agent in your securities sub-account, CDP will credit the Depository Agent's Securities Account on or around the Issue Date. You will have to depend on your Depository Agent, who may also be your Distributor, to credit such Notes to your securities sub-account with them and also to make payments on the Notes to you.

If you have applied for Notes using your SRS account moneys and are successfully allocated Notes, CDP will credit your SRS operator's account with CDP on or around the Issue Date. Your SRS operator will not credit such Notes to your direct Securities Account nor any securities sub-account you may hold. You will have to depend on your SRS operator to credit any payments of principal and interest that we make directly into your SRS account.

Neither the Issuer nor the Arranger accepts any responsibility for the services provided to you by your Distributor or your SRS operator.

## OTHER INFORMATION

The Issuer will issue, at the Issue Price, a portion of the Notes of this Series, to Lehman Brothers International (Europe), as dealer under the Programme. Lehman Brothers International (Europe), as dealer, may offer these Notes pursuant to exemptions invoked under Section 274 and/or Section 275 of the SFA at prices which will be less than the Issue Price to institutional investors under Section 274 of the SFA. It is expected that some of these institutional investors will sell these Notes to their customers on terms that they may agree.

In the above event, the Base Prospectus and this Pricing Statement or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of such Notes, may not be circulated or distributed, nor may such Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, or (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA.

Where such 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,

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 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 (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;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

## APPENDIX 1 — FORM OF PRICING SUPPLEMENT

● 2006  
MINIBOND LIMITED  
PRICING SUPPLEMENT  
relating to  
MINIBOND SERIES 2

SGD Credit-Linked Notes due 2012 (“**Tranche A Notes**”)  
USD Credit-Linked Notes due 2012 (“**Tranche B Notes**”)  
(each a “**Tranche**” and the notes of any or all Tranches, the “**Notes**”)

pursuant to the S\$10,000,000,000 Secured Note Programme of Minibond Limited  
arranged by

**LEHMAN BROTHERS INC.**

This document constitutes the pricing supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Master Conditions set forth in the Base Prospectus dated 30 March 2006 and the Pricing Statement. **This pricing supplement contains the final terms of the Notes and must be read in conjunction with the Base Prospectus and the Pricing Statement.** There will be one pricing supplement for each of the Tranche A Notes and the Tranche B Notes.

The terms of the Tranche [A]/[B] Notes are as follows:

1	Issuer:	Minibond Limited
2	Arranger:	Lehman Brothers Inc.
3	(i) Series No:	2
	(ii) Tranche No.:	[A <sup>(1)</sup> /B <sup>(2)</sup> ]

### Terms of Series

4	Relevant Currency (or Currencies in the case of Dual Currency Notes):	[Singapore dollars (“ <b>SGD</b> ”) <sup>(1)</sup> /United States dollars (“ <b>USD</b> ”) <sup>(2)</sup> ]
5	Principal Amount:	[SGD 150,000,000 <sup>(1)</sup> /USD 50,000,000 <sup>(2)</sup> ]
6	Form of the Notes:	Bearer
7	Status:	Secured and limited recourse obligations of the Issuer, secured as provided below
8	Denomination(s):	[SGD 10,000 <sup>(1)</sup> /USD 5,000 <sup>(2)</sup> ]
9	Issue Date:	29 August 2006
10	Issue Price:	100 per cent.

<sup>1</sup> For Tranche A Notes.

<sup>2</sup> For Tranche B Notes.

- 11 Maturity Date: 29 May 2012, subject to redemption upon the occurrence of a Credit Event as provided in the Annex to this Pricing Supplement, redemption at the option of the Issuer as provided in paragraph 13 below and Early Redemption as provided in the Conditions and paragraph 50 below, as adjusted in accordance with the Following Business Day Convention
  
- 12 Redemption Amount (including early redemption): Par, subject to the occurrence of a Credit Event, Underlying Securities Default Event and other specified events as set out in paragraph 50

**Early Redemption**

- 13 Terms of redemption at the option of the Issuer or other Issuer’s option (if applicable): Upon the exercise by the Derivatives Counterparty of the Derivatives Counterparty Option (as defined below) in respect of the Tranche [A]/[B] Notes, the Issuer shall redeem the Tranche [A]/[B] Notes in whole but not in part, at the Principal Amount plus accrued interest on any Interest Payment Date which falls on or after August 2007 by giving not less than five Business Days’ prior written notice to holders of Tranche [A]/[B] Notes. The Tranche [A]/[B] Notes will also be redeemed early in the circumstances set out in the Conditions and paragraph 50 below.

“**Derivatives Counterparty Option**” means the option of the Derivatives Counterparty, as provided in the Swap Agreement (as defined in paragraph 53(d) below), to terminate the Swap Agreement in whole but not in part in respect of the notional amount of any Tranche of the Notes, by giving not less than five Business Days’ notice to the Issuer.

- 14 Issuer’s Option Period: Not applicable
  
- 15 Terms of redemption at the option of the Noteholders or other Noteholders’ Option (if applicable): Not applicable
  
- 16 Noteholders’ Option Period: Not applicable
  
- 17 Interest Commencement Date (if different from Issue Date): Issue Date
  
- 18 Interest Basis: Fixed Rate

<b>19</b>	Interest Payment Date(s):	Quarterly on 29 of February, May, August and November of each year subject to the Following Business Day Convention
<b>20</b>	Interest Period Date(s) (if applicable):	Quarterly on 29 of February, May, August and November of each year, with no adjustment
<b>21</b>	Interest Rate (including after Maturity Date):	[4.88% per annum] <sup>(1)</sup> /[6.28% per annum] <sup>(2)</sup>  The Tranche [A] <sup>(1)</sup> /[B] <sup>(2)</sup> Notes will cease to bear any interest from the Interest Payment Date immediately preceding the occurrence of a Credit Event or an Underlying Securities Default Event
<b>22</b>	Day Count Fraction:	[Actual/365 (fixed)] <sup>(1)</sup> /[30/360] <sup>(2)</sup>
<b>23</b>	Fixed Rate Interest Amount:	Not applicable
<b>24</b>	Broken Amount:	Not applicable
<b>Floating Rate</b>		
<b>25</b>	Interest Determination Date (if applicable):	Not applicable
<b>26</b>	Primary Source for Floating Rate:	Not applicable
<b>27</b>	Benchmark:	Not applicable
<b>28</b>	Reference Banks:	Not applicable
<b>29</b>	Margin:	Not applicable
<b>30</b>	Rate Multiplier (if applicable):	Not applicable
<b>31</b>	Minimum Interest Rate (if applicable):	Not applicable
<b>32</b>	Maximum Interest Rate (if applicable):	Not applicable
<b>33</b>	Representative Amount:	Not applicable
<b>34</b>	Specified Duration:	Not applicable
<b>35</b>	Relevant Time (if applicable):	Not applicable
<b>36</b>	Relevant Financial Centre:	Not applicable
<b>37</b>	Specified financial centres for definition of Relevant Business Day:	Not applicable
<b>38</b>	Amortisation Yield (Zero Coupon Note):	Not applicable
<b>39</b>	Reference Price (Zero Coupon Note):	Not applicable

## Other

40	Redemption for Taxation Reasons permitted on days other than Interest Payment Dates:	Yes
41	Index/Formula (Indexed Note):	Not applicable
42	Calculation Agent:	Lehman Brothers Asia Limited
43	Dual Currency Note:	Not applicable
44	Partly-Paid Note:	Not applicable
45	Instalment Date(s) (if applicable):	Not applicable
46	Instalment Amount(s) (if applicable):	Not applicable
47	Unmatured Coupons to become void upon early redemption:	Not applicable
48	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	Not applicable
49	Business Day Jurisdictions for Condition 8(h) (jurisdictions required to be open for payment):	New York, London and Singapore  Where the Custodian's role is involved, the Business Day Jurisdiction shall be Hong Kong
50	Mandatory Redemption/Credit Event/Other Specified Event:	Condition 7(b) and Condition 7(c) will apply subject as amended in the Annex to this pricing supplement.  "Other specified event" in Condition 7(c)(iv) means an Underlying Securities Default Event or an Underlying Securities Tax Event Redemption as set out in the Annex to this pricing supplement.
51	Variation:	Not applicable
52	Details of any other additions or variations to the Conditions:	Nil
53	Mortgaged Property:	
	(a) Securities:	●  The Securities constitute the Underlying Securities for the Tranche A Notes and the Tranche B Notes of this Series of Notes on a <i>pro rata</i> basis

(b) Security (order of priorities): The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Deed in accordance with the following:

Derivatives Counterparties Priority

(c) Underlying Agreement (if applicable): Not applicable

Counterparty(ies):

(d) Derivatives Contract (if applicable): Under an ISDA Master Agreement dated as of 30 March 2006 and a confirmation thereto with an effective date as of the Issue Date (including the guarantee of the Derivatives Guarantor dated 30 March 2006), made between the Issuer and the Derivatives Counterparty (the "**Swap Agreement**"), the Issuer will pay to the Derivatives Counterparty sums equal to interest receivable by it in respect of the Securities and the Derivatives Counterparty will pay to the Issuer sums equal to the interest amount payable to the Noteholders under the Notes. In addition, if a Credit Event occurs on or before the second Business Day prior to the Maturity Date, the Issuer will deliver to the Derivatives Counterparty the Underlying Securities as soon as practicable following the Credit Event Determination Date and in any event no later than the second Business Day following the Credit Event Determination Date and the Derivatives Counterparty will pay to the Issuer the Credit Event Redemption Amount on the Credit Event Redemption Date.

The Swap Agreement may be terminated early, among other circumstances:

- (i) on the due date for payment of the Notes if at any time the Notes become repayable in accordance with the Conditions prior to the Maturity Date;
- (ii) at the option of one party, if there is a failure by the other party to pay any amounts due under the Swap Agreement;



- (iii) if (subject as provided in the Swap Agreement) withholding taxes are imposed on payments made by the Issuer or the Derivatives Counterparty under the Swap Agreement or it becomes illegal for either party to perform its obligations under the Swap Agreement;
- (iv) upon the occurrence of certain other events with respect to either party to the Swap Agreement, including insolvency; and
- (v) in part upon exercise on one or more occasions by Lehman Brothers International (Europe) of its exchange option (the “**Lehman Brothers Exchange Option**”), as referred to in the Base Prospectus, granted by the Issuer to Lehman Brothers International (Europe) pursuant to an exchange option agreement to be dated the Issue Date.

#### Consequences of Early Termination:

Upon any such early termination of the Swap Agreement (except pursuant to exercise of the Lehman Brothers Exchange Option referred to in (v) above, in which case no such termination payment as described in this paragraph will be due), the Issuer or the Derivatives Counterparty may (subject as set out below and provided, in the case of certain tax events that the Issuer may first be obliged to use all reasonable endeavours to transfer its obligations) be liable to make a termination payment to the other (regardless, if applicable, of which of such parties may have caused such termination).

Where such a termination payment is payable, it will be based on the replacement cost or gain for a swap transaction that would have the effect of preserving for the party making the determination the economic equivalent of the Swap Agreement. In all cases of early termination occurring other than by reason of a default by the Derivatives Counterparty (in which case the determination will be made by the Issuer) or

illegality (in which case the party which is not the Affected Party (as defined in the Swap Agreement) will make the determination (or, if there are two Affected Parties, each party will make a determination which will be averaged)), the termination payment will be determined by the Derivatives Counterparty on the basis of quotations received from at least three market-makers (failing which, by the Derivatives Counterparty or the Issuer, as aforesaid, based upon loss).

**Regardless of which party makes the determination of the termination payment (if any), there is no assurance that the proceeds from the sale of the Underlying Securities plus or minus, as the case may be, such termination payment will be sufficient to repay the principal amount due to be paid in respect of the Notes and any other amounts in respect thereof that are due.**

Upon an early termination of the Swap Agreement upon exercise of the Lehman Brothers Exchange Option, a *pro rata* amount of the Swap Agreement corresponding to that proportion of the Notes to be exchanged will be terminated without any termination payment being paid from either party.

[With respect to Tranche A Notes, the Derivatives Counterparty shall pay the Party A Initial Exchange Amount (as defined in the Swap Agreement) of USD ● and the Issuer shall pay the Party B Initial Exchange Amount (as defined in the Swap Agreement) of SGD ● on the Issue Date]<sup>(1)</sup>

Derivatives Counterparty(ies):	Lehman Brothers Special Financing Inc. (the <b>“Derivatives Counterparty”</b> or the <b>“Swap Counterparty”</b> )
Derivatives Guarantor (if applicable):	Lehman Brothers Holdings Inc.
(e) Details of Credit Support Document (if applicable):	Not applicable
(f) Credit Support Provider:	Not applicable
(g) Details of Stock Borrowing Agreement (if applicable):	Not applicable

(h)	Stock Borrower:	Not applicable
(i)	Specify any other Mortgaged Property:	Not applicable
(j)	Custodian:	The Hongkong and Shanghai Banking Corporation Limited
(k)	Entitlement to procure realisation of security:	Not applicable
<b>54</b>	Investment Management Agreement:	Not applicable
<b>55</b>	Exchange: Global Note/Global Certificate exchangeable for Definitive Bearer/Registered Notes:	Yes, Global Notes exchangeable for Definitive Bearer Notes in the limited circumstances as set out in the Global Notes
<b>56</b>	Details of any additions or variations to the Programme Agreement:	Nil
<b>57</b>	Net Price payable to Issuer:	[SGD 150,000,000] <sup>(1)</sup> /[USD 50,000,000] <sup>(2)</sup>  In respect of payment for the Securities, the Issuer shall transfer the Net Price of SGD [150,000,000] <sup>(1)</sup> /[USD50,000,000] <sup>(2)</sup> to the following account: ●
<b>58</b>	Listing:	Nil
<b>59</b>	Common Code:	●
<b>60</b>	ISIN Code:	●
<b>61</b>	Clearing System(s):	The Central Depository (Pte) Limited (with a link to the Euroclear System)
<b>62</b>	Registrar:	Not applicable
<b>63</b>	Issuing and Paying Agent:	The Hongkong and Shanghai Banking Corporation Limited
<b>64</b>	Transfer Agent:	Not applicable

## ANNEX TO THE PRICING SUPPLEMENT

### Credit Events

#### *Definition of Credit Event*

“**Credit Event**” means the Calculation Agent in its sole and absolute discretion acting in good faith having the right (but not the obligation) to declare the occurrence of a Credit Event upon the occurrence of one or more of the following events or conditions with respect to any of the Reference Entities, the Reference Obligations or other Obligations of the Reference Entities, which event or condition occurs on or after the Issue Date and on or prior to the second Business Day prior to the Maturity Date:

- (i) Bankruptcy;
- (ii) Failure to Pay; and
- (iii) Restructuring.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from: (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

The Calculation Agent shall notify the Issuer and the Swap Counterparty of the occurrence of a Credit Event as soon as practicable following the declaration of such Credit Event.

For these purposes:

“**Bankruptcy**” means a Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:
  - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;

- (e) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

**“Failure to Pay”** means after the expiration of any applicable (or deemed) Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than USD 1,000,000 (or its equivalent in the relevant currency or currencies in which an Obligation is denominated), as of the occurrence of the relevant Failure to Pay, under one or more Obligations.

**“Restructuring”** means:

- (a) that, with respect to one or more Obligations, and in relation to an aggregate amount of not less than USD 10,000,000 (or its equivalent in the relevant currency or currencies in which an Obligation is denominated), any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not provided for under the terms of such Obligation in effect as of the later of the Issue Date and the date as of which such Obligation is issued or incurred:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation; or
  - (v) any change in the currency or composition of any payment of interest or principal.

- (b) Notwithstanding the provisions of (a) above, none of the following shall constitute a Restructuring:
- (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
  - (ii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
  - (iii) the occurrence of, agreement to or announcement of any of the events described in (a)(i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of a Reference Entity.
- (c) For purposes of paragraphs (a) and (b) above, the term “**Obligation**” shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of any guarantee (whether by guarantee of payment or equivalent legal arrangement).

#### *Occurrence of a Credit Event*

Upon the occurrence of a Credit Event on or prior to the second Business Day prior to the Maturity Date (i) the Issuer shall deliver a Credit Event Notice to the Noteholders either directly, or via the relevant clearing system (including reasonable details of the Publicly Available Information confirming such Credit Event) promptly after the Credit Event Determination Date; (ii) the Notes shall cease to bear interest and no further payment will be made in respect of interest accrued from the immediately preceding Interest Payment Date (or if there is no such immediately preceding Interest Payment Date, the Issue Date); (iii) the Swap Settlement Amount will be determined on the Credit Event Determination Date; (iv) the Underlying Securities shall be delivered to the Swap Counterparty as soon as practicable following the Credit Event Determination Date and in any event no later than the second Business Day following the Credit Event Determination Date; (v) the Calculation Obligations shall be identified by the Calculation Agent on a date (“**Settlement Determination Date**”) occurring no later than the second Business Day preceding the Credit Event Redemption Date (at the sole and absolute discretion of the Calculation Agent); (vi) the Swap Counterparty shall pay the Credit Event Redemption Amount on a date (the “**Credit Event Redemption Date**”) occurring no later than the thirtieth Business Day after the Credit Event Notice is given; (vii) the Swap Agreement shall terminate once all payments due under the Swap Agreement have been made; and (viii) the Issuer will redeem the Notes by payment of the Credit Event Redemption Amount on the Credit Event Redemption Date. The notice (the “**Credit Event Notice**”) setting out the occurrence of a Credit Event shall include a brief description of the relevant event, a summary of the Publicly Available Information confirming such Credit Event and an explanation of how it fits the definition of a Credit Event.

For these purposes:

“**Publicly Available Information**” means information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in the Credit Event Notice has occurred and which has been published in or on not less than two internationally recognised published or electronically displayed news sources (it being understood that each Public Source shall be deemed to be an internationally recognised published or electronically displayed news source), regardless of whether the reader or user thereof pays a fee to obtain such information;

provided that, if any of the Swap Counterparty or its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Swap Counterparty or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation.

**“Public Source”** means The Straits Times, The Business Times, Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun and Financial Times (and successor publications) and the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources.

#### *Credit Event Redemption Amount*

The **“Credit Event Redemption Amount”** shall be determined by the Calculation Agent, in its sole and absolute discretion, as an amount equal to the Liquidation Proceeds of the Calculation Obligations with a principal or nominal amount equal to the Settlement Principal Amount.

For these purposes:

**“Settlement Principal Amount”** means the Initial Principal Amount of the Notes on the Issue Date, (i) plus (in case the Swap Settlement Amount is payable by the Swap Counterparty to the Issuer) or minus (in case the Swap Settlement Amount is payable by the Issuer to the Swap Counterparty) a nominal amount of Calculation Obligations whose Liquidation Proceeds determined on the Settlement Determination Date are equal to the absolute value of the Swap Settlement Amount determined on the Credit Event Determination Date, (ii) plus (in case the Market Value Difference (as defined below) is a negative amount) or minus (in case the Market Value Difference is a positive amount) a nominal amount of Calculation Obligations whose Liquidation Proceeds determined on the Settlement Determination Date are equal to the absolute value of the difference (the **“Market Value Difference”**) between the principal amount of the Underlying Securities on the Issue Date and the Liquidation Proceeds of the Underlying Securities determined on the Credit Event Determination Date.

**“Liquidation Proceeds of the Calculation Obligations”** means the amount realisable upon the sale of the Calculation Obligations at the highest clean bid price obtained by the Calculation Agent on the relevant date in a nominal amount equal to the Initial Principal Amount, upon the solicitation of five (5) Dealers in such obligations selected by the Calculation Agent in its sole and absolute discretion; less any costs or expenses associated with the relevant sale, as determined by the Calculation Agent in its sole and absolute discretion.

**“Dealers”** means dealers in the Calculation Obligations or the Underlying Securities (as the case may be).

**“Swap Settlement Amount”** means the amount (as determined by the Calculation Agent on the Credit Event Determination Date or day of the relevant termination, as the case may be) of any early termination amount or close out payment receivable (expressed as a positive amount) or payable (expressed as a negative amount) by the Issuer under the Swap Agreement to the Swap Counterparty.

**“Calculation Obligations”** means Bonds or Loans of the Defaulted Reference Entity (as defined herein) with the following characteristics:

**“Not Subordinated”** meaning an obligation that is not Subordinated to the Reference Obligation of the Defaulted Reference Entity notwithstanding that such identified Reference Obligation may no longer be outstanding on the relevant date of determination. The ranking in priority of payment

of each Reference Obligation (including any Substitute Reference Obligation) shall be determined as of the later of (i) the Issue Date and (ii) the date on which such obligation was identified as a Reference Obligation.

**“Standard Specified Currency”** meaning an obligation that is payable in any of the lawful currencies of Canada, Japan, Switzerland, Hong Kong, Singapore, United Kingdom and the United States of America and the euro (and any successor currency to any such currency), which currencies may be referred to collectively as the **“Standard Specified Currencies”**.

## **Underlying Securities Default Events**

### *Definition of Underlying Securities Default Event*

**“Underlying Securities Default Event”** is an event where the Underlying Securities become repayable in whole or in part, or their outstanding principal amount is reduced prior to their scheduled maturity date for any reason whatsoever (other than as a result of an Underlying Securities Tax Event Redemption (as explained below)).

**“Underlying Securities Default Event Determination Date”** means any date on which the Calculation Agent determines in its sole and absolute discretion acting in good faith that an Underlying Securities Default Event has occurred.

### *Occurrence of Underlying Securities Default Event*

Upon the occurrence of an Underlying Securities Default Event (i) the Issuer shall notify the Noteholders of the Underlying Securities Default Event either directly, or via the relevant clearing system promptly after the Underlying Securities Default Event Determination Date, (ii) the Issuer will redeem the Notes in full by payment of the Underlying Securities Default Redemption Amount as soon as practicable after the occurrence of such Underlying Securities Default Event; and (iii) the Notes shall cease to bear interest and no further payment will be made in respect of interest accrued from the immediately preceding Interest Payment Date (or if there is no such immediately preceding Interest Payment Date, the Issue Date).

### *Underlying Securities Default Redemption Amount*

The **“Underlying Securities Default Redemption Amount”** shall be an amount equal to the Liquidation Proceeds of the Underlying Securities plus the Swap Settlement Amount.

**“Liquidation Proceeds of the Underlying Securities”** means the amount realisable upon the sale of the Underlying Securities at the highest clean bid price obtained by the Calculation Agent on the relevant date and in the relevant nominal amount, upon the solicitation of five Dealers in such Underlying Securities selected by the Calculation Agent in its sole and absolute discretion, less any costs and expenses incurred by the Calculation Agent in effecting such sale.

### *Occurrence of both an Underlying Securities Default Event and a Credit Event*

Notwithstanding the preceding paragraphs, upon the occurrence of both an Underlying Securities Default Event and a Credit Event (provided that the Credit Event occurs prior to the termination of the Swap Agreement as a result of the Underlying Securities Default Event), the Notes will be redeemed at the Credit Event Redemption Amount instead of at the Underlying Securities Default Redemption Amount.



To the extent that the Notes are deemed to have become repayable due to a Cayman Tax Event or an Underlying Securities Tax Event Redemption (each an “**Early Redemption Event**”), the Notes will be redeemed 30 Business Days following the Early Redemption Event at the relevant Early Redemption Amount as set out below:

(i) Cayman Tax Event

Upon the occurrence of early redemption in accordance with Condition 7(c)(i) (a “**Cayman Tax Event**”), the Calculation Agent shall arrange for the sale of the Underlying Securities. The Notes shall redeem early at an amount equal to the Swap Settlement Amount plus the Liquidation Proceeds of the Underlying Securities (the “**Early Redemption Amount**” following a Cayman Tax Event).

(ii) Tax Redemption of Underlying Securities

If the Underlying Securities are redeemed in accordance with Condition 6(d)(i) of the Underlying Securities entitled “**Redemption for Taxation and Other Reasons**” (the “**Underlying Securities Tax Event Redemption**”), the Calculation Agent shall arrange for the sale of the Underlying Securities. The Notes shall be redeemed early at an amount equal to the Swap Settlement Amount plus the Liquidation Proceeds of the Underlying Securities (the “**Early Redemption Amount**” following an Underlying Securities Tax Event).

### **Additional Definitions**

“**Affiliate**” means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “**control**” of any entity or person means ownership of a majority of the voting power of the entity or person.

“**Bond**” means Borrowed Money that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation.

“**Borrowed Money**” means with respect to any Reference Entity, any one or more obligations of such Reference Entity for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit), either directly or as provider of any guarantee, (but excluding any obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal).

“**Credit Event Determination Date**” means any date on which the Calculation Agent determines in its sole and absolute discretion that a Credit Event has occurred.

“**Defaulted Reference Entity**” means the Reference Entity in respect of which the Credit Event Notice has been given.

“**Governmental Authority**” means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

**“Grace Period”** means the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Issue Date and the date as of which such Obligation is issued or incurred. Any Obligation with no grace period specified shall be deemed to have a grace period of 3 Business Days, provided that no such deemed grace period shall expire later than the second Business Day prior to the Maturity Date.

**“Loan”** means any Borrowed Money that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money obligation.

**“Obligation”** means Borrowed Money and each Reference Obligation.

**“Reference Entities”** means American Express Company, Bank of America Corporation, DBS Bank Ltd., HSBC Bank PLC, JPMorgan Chase & Co., Singapore Telecommunications Limited and Standard Chartered Bank (each a **“Reference Entity”**) or any of their respective Successors.

**“Reference Obligation”** means, in respect of any Reference Entity, the obligation specified in the Pricing Statement dated 19 July 2006 in the section “The Reference Entities” opposite the relevant Reference Entity in the table and any Substitute Reference Obligation. In the event that a Reference Obligation is redeemed in full or otherwise ceases to be an Obligation of a Reference Entity (the **“Removed Reference Obligation”**), the Calculation Agent may identify one or more Obligations which preserve the economic equivalent of the delivery and payment obligations of the Issuer to be a substitute Reference Obligation (the **“Substitute Reference Obligation”**). The Substitute Reference Obligation shall be an Obligation of the Reference Entity equivalent in seniority to the Removed Reference Obligation.

**“Subordination”** means, with respect to an obligation (the **“Subordinated Obligation”**) and another obligation of a Reference Entity to which such obligation is being compared (the **“Senior Obligation”**), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **“Subordinated”** will be construed accordingly.

**“Succession Event”** means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, **“Succession Event”** shall not include an event in which the holders of obligations of a Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event.

**“Successor”** means a direct or indirect successor to a Reference Entity that assumes all or substantially all of the obligations thereof upon a Succession Event, as determined by the Calculation Agent. If two Reference Entities merge resulting in only one direct successor, then (i) the direct successor shall be a Successor; and (ii) an additional entity with a credit rating equal to or better than the lower rating of the two merged entities shall be appointed as Successor.

## APPENDIX 2 — A BRIEF GUIDE TO CREDIT RATINGS

*None of Moody's, Fitch and/or Standard & Poor's has consented to the information set out in this Appendix 2. Neither the Issuer nor the Arranger makes any representation as to the accuracy or reliability of the information set out in Appendix 2, save that the Issuer and the Arranger have taken reasonable care to correctly extract and/or reproduce such information in its proper form and context. More information on credit ratings can be found at the websites of Fitch at [www.fitchratings.com](http://www.fitchratings.com), Standard & Poor's at [www.standardandpoors.com](http://www.standardandpoors.com) and Moody's at [www.moody's.com](http://www.moody's.com).*

*The following information has been extracted from the websites and reports of the Rating Agencies.*

### **What is a credit rating?**

A credit rating is a current assessment by a credit rating agency of a company's overall financial capacity to pay its debts. The focus is on the company's capacity to pay its debts as they become due. The rating does not necessarily apply to any specific debt.

### **What do the credit ratings mean?**

These are guidelines issued by Standard and Poor's, Fitch and Moody's on what each of their ratings means.

For up-to-date information on the Reference Entities' ratings and an explanation of each rating category can be obtained from the websites of Standard & Poor's at [www.standardandpoors.com](http://www.standardandpoors.com), Fitch at [www.fitchratings.com](http://www.fitchratings.com) and Moody's at [www.moody's.com](http://www.moody's.com).

### **Standard and Poor's Long-Term Issuer Credit Ratings**

#### **AAA**

An obligor rated "AAA" has EXTREMELY STRONG capacity to meet its financial commitments. "AAA" is the highest Issuer Credit Rating assigned by Standard & Poor's.

#### **AA**

An obligor rated "AA" has VERY STRONG capacity to meet its financial commitments. It differs from the highest rated obligors only in small degree.

#### **A**

An obligor rated "A" has STRONG capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

#### **BBB**

An obligor rated "BBB" has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

#### **BB**

An obligor rated "BB" is LESS VULNERABLE in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

## *B*

An obligation rated “B” is MORE VULNERABLE to non-payment than obligations rated “BB”, but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor’s capacity or willingness to meet its financial commitment on the obligation.

## *CCC*

An obligor rated “CCC” is CURRENTLY VULNERABLE, and is dependent upon favourable business, financial, and economic conditions to meet its financial commitments.

Plus (+) or minus (-)

The ratings from “AA” to “CCC” may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

## *CC*

An obligor rated “CC” is CURRENTLY HIGHLY VULNERABLE.

## *C*

A subordinated debt or preferred stock obligation rated “C” is CURRENTLY HIGHLY VULNERABLE to non-payment. The “C” rating may be used to cover a situation where a bankruptcy petition has been filed or similar action taken, but payments on this obligation are being continued. A “C” also will be assigned to a preferred stock issue in arrears on dividends or sinking fund payments, but that is currently paying.

## *Credit Watch*

CreditWatch highlights the potential direction of a short- or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by S&P’s analytical staff. These may include mergers, recapitalizations, voter referendums, regulatory action, or anticipated operating developments. Ratings appear on CreditWatch when such an event or a deviation from an expected trend occurs and additional information is necessary to evaluate the current rating. A listing, however, does not mean a rating change is inevitable, and whenever possible, a range of alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The “positive” designation means that a rating may be raised; “negative” means a rating may be lowered; and “developing” means that a rating may be raised, lowered, or affirmed.

## **Fitch’s Long-Term Credit Ratings**

The following rating scale applies to foreign currency and local currency ratings:

### ***Investment Grade***

#### *AAA*

Highest credit quality. “AAA” ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

## *AA*

Very high credit quality. “AA” ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

## *A*

High credit quality. “A” ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

## *BBB*

Good credit quality. “BBB” ratings indicate that there is currently expectations of low credit risk. The capacity for payment of financial commitments is considered adequate but adverse changes in circumstances and economic conditions are more likely to impair this capacity. This is the lowest investment grade category.

## ***Speculative Grade***

### *BB*

Speculative. “BB” ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

### *B*

Highly speculative.

- For issuers and performing obligations, “B” ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
- For individual obligations, may indicate distressed or defaulted obligations with potential for extremely high recoveries. Such obligations would possess a Recovery Rating of “R1” (outstanding).

### *CCC*

- For issuers and performing obligations, default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic conditions.
- For individual obligations, may indicate distressed or defaulted obligations with potential for average to superior levels of recovery. Differences in credit quality may be denoted by plus/minus distinctions. Such obligations typically would possess a Recovery Rating of “R2” (superior), or “R3” (good) or “R4” (average).

## CC

- For issuers and performing obligations, default of some kind appears probable.
- For individual obligations, may indicate distressed or defaulted obligations with a Recovery Rating of “R4” (average) or “R5” (below average).

## C

- For issuers and performing obligations, default is imminent.
- For individual obligations, may indicate distressed or defaulted obligations with potential for below-average to poor recoveries. Such obligations would possess a Recovery Rating of “R6” (poor).

### **Notes to Fitch’s Long-Term Credit Ratings**

#### *Modifiers “+” or “-”*

The modifiers “+” or “-” may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the “AAA” Long-term rating category, to categories below “CCC”. (The +/- modifiers are only used to denote issues within the CCC category, whereas issuers are only rated CCC without the use of modifiers.)

#### *Rating Watch*

Ratings are placed on Rating Watch to notify investors that there is a reasonable probability of a rating change and the likely direction of such change. These are designated as “Positive”, indicating a potential upgrade, “Negative”, for a potential downgrade, or “Evolving”, if ratings may be raised, lowered or maintained. Rating Watch is typically resolved over a relatively short period.

### **Moody’s Debt Ratings**

#### *Aaa*

Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as “gilt edged.” Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

#### *Aa*

Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities.

#### *A*

Bonds which are rated A possess many favourable investment attributes and are to be considered as upper-medium-grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present which suggest a susceptibility to impairment some time in the future.

### *Baa*

Bonds which are rated Baa are considered as medium-grade obligations (i.e., they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

### *Ba*

Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate, and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

### *B*

Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

### *Caa*

Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

### *Ca*

Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other market shortcomings.

### *C*

Bonds which are rated C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

### *Modifiers "1", "2" and "3"*

The modifier 1 indicates that the issue ranks in the higher end of its generic rating category (as set out above), the modifier 2 indicates a mid-range ranking, and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

### *Watchlist*

Watchlist lists the names of credits whose Moody's ratings have a likelihood of changing. These names are actively under review because of developing trends or events which, in Moody's opinion, warrant a more extensive examination. Inclusion on this Watchlist is made solely at the discretion of Moody's, and not all borrowers with ratings presently under review for possible downgrade or upgrade are included on any one Watchlist. In certain cases, names may be removed from the Watchlist without a change in rating.

### **How reliable are credit ratings?**

Standard & Poor's regularly produces a default study which calculates the incidence of defaults across all rating classes over varying periods.

The default events which Standard & Poor’s uses in its study are similar to (but not identical with) the Credit Events which we use in our Notes.

Standard & Poor’s records a default:

- on the first occurrence of a payment default on any financial obligation of a company; or
- when holders of a company’s debt accept substitute debt with lower interest, longer maturities or any other diminished financial term.

We have extracted the table below from Standard & Poor’s 2005 Rating Performance Study. It shows the cumulative default history for the investment grade rating categories from 1 to 6 years. The study is global and covers the period from 1981 to 2005.

**Investment grade corporate default history**

<b>Rating</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
AAA	0.00%	0.00%	0.03%	0.06%	0.10%	0.17%
AA+	0.00%	0.00%	0.00%	0.07%	0.15%	0.24%
AA	0.00%	0.00%	0.00%	0.07%	0.15%	0.22%
AA-	0.02%	0.10%	0.23%	0.36%	0.51%	0.67%
A+	0.05%	0.11%	0.26%	0.47%	0.63%	0.80%
A	0.04%	0.12%	0.17%	0.25%	0.42%	0.63%
A-	0.04%	0.15%	0.30%	0.50%	0.80%	1.11%
BBB+	0.20%	0.58%	1.11%	1.57%	2.08%	2.63%
BBB	0.28%	0.60%	0.91%	1.56%	2.24%	2.87%
BBB-	0.36%	1.19%	2.11%	3.34%	4.52%	5.60%

For example, take a bond which is rated A by Standard & Poor’s. The table shows that the statistical likelihood of default on the bond, based on the cumulative average default history of A-rated bonds between 1981 and 2005, is 0.04% in the first year following issue, 0.12% in the second year, 0.17% in the third year, and so on.

These historical default rates show that there has been a correlation between Standard & Poor’s ratings and the incidence of default. That is, the higher the rating, the lower the incidence of default.

Historical default rates provide a measure of the historical accuracy of Standard & Poor’s ratings. However, they are not necessarily indicative of the likelihood of one of the Credit Events under our Notes happening to any particular Reference Entity specified in a Series of our Notes.



## **APPENDIX 3 — ADDITIONAL INFORMATION ON THE REFERENCE ENTITIES**

*The following information has been extracted from the financial/annual reports of these companies and also from Bloomberg. Neither the Issuer nor the Arranger makes any representation as to the accuracy or reliability of the information, save that the Issuer and the Arranger have taken reasonable care to correctly extract and/or reproduce such information in its proper form and context.*

### **1. American Express Company**

American Express Company is incorporated in the United States and its principal address is at World Financial Center, 200 Vessey Street, New York. American Express Company, through its subsidiaries, provides travel-related, financial advisory, and international banking services around the world. American Express Company's products include the American Express Card, the Optima Card, and American Express Travellers' Cheque. As at 18 July 2006, the market capitalisation of American Express Company was approximately US\$62.8 billion while as of its year ending December 2005, its pre-tax margin and return on common equity were approximately 17.5% and 28.1% respectively.

### **2. Bank of America Corporation**

Bank of America Corporation is incorporated in the United States and its principal address is at 100 North Tryon Street, Charlotte, North Carolina. Bank of America Corporation is a bank holding company and a financial holding company. Bank of America Corporation provides a diversified range of banking and non-banking financial services and products both domestically and internationally. Bank of America Corporation provides consumer and commercial banking, asset management, global corporate and investment banking and equity investments. As at 18 July 2006, the market capitalisation of Bank of America Corporation was approximately US\$221 billion while as of its year ending December 2005, its pre-tax margin and return on common equity were approximately 28.8% and 16.3% respectively.

### **3. DBS Bank Ltd.**

DBS Bank Ltd. is incorporated in Singapore and its principal address is at DBS Building Tower Two, 6 Shenton Way, Singapore. DBS Group Holdings Ltd is the holding company of DBS Bank Ltd. and is one of the largest companies in terms of market capitalisation whose shares are listed on the SGX-ST. DBS Bank Ltd. is a full service bank and provides a full range of financial services aimed at fulfilling the total banking and financial needs of individuals and their business. Active in corporate, retail and investment banking, DBS Bank Ltd. is one of Singapore's main sources of medium and long-term financing, and is actively engaged in providing short-term banking facilities, including trade financing and working capital financing. It also provides investment banking services, portfolio management services and custodian services. As at 18 July 2006, the market capitalisation of DBS Group Holdings Ltd. was approximately S\$25.8 billion while as of its year ending December 2005, its pre-tax margin and return on common equity were approximately 18.8% and 4.9% respectively.

#### **4. HSBC Bank PLC**

HSBC Bank PLC is incorporated in the United Kingdom and its principal address is at 8 Canada Square London E14 5HQ. HSBC Bank PLC is a banking and financial services group. HSBC Bank PLC offers a full range of banking products and financial services, including personal and business banking as well as corporate and institutional banking and internet banking services. As at 18 July 2006, the market capitalisation of HSBC Holdings PLC, the parent company of HSBC Bank PLC, was approximately £109 billion while as of its year ending December 2005, its pre-tax margin and return on common equity were approximately 23.4% and 17.0% respectively.

#### **5. JPMorgan Chase & Co.**

JPMorgan Chase & Co. is incorporated in the United States and its principal address is at 270 Park Avenue, New York. JPMorgan Chase & Co. provides global financial services under the JPMorgan brand and retail banking under the Chase brand. JPMorgan Chase & Co. provides services such as investment banking, treasury and security services, asset management, private banking, cardmember services, commercial banking and home finance. JPMorgan Chase & Co. serves business enterprises, institutions and individuals. As at 18 July 2006, the market capitalisation of JPMorgan Chase & Co. was approximately US\$141 billion while as of its year ending December 2005, its pre-tax margin and return on common equity were approximately 15.3% and 8.0% respectively.

#### **6. Singapore Telecommunications Limited**

Singapore Telecommunications Limited is incorporated in Singapore and its principal address is at 31 Exeter Road, Comcentre, Singapore. Singapore Telecommunications Limited operates and provides telecommunications systems and services, postal services, directory advertising. Singapore Telecommunications Limited sells and maintains telecommunications equipment and provides mobile phone and paging services, computer network and internet and information technology services. As at 18 July 2006, the market capitalisation of Singapore Telecommunications Limited was approximately S\$41 billion while as of its year ending March 2006, its pre-tax margin and return on common equity were approximately 34.2% and 20.6% respectively.

#### **7. Standard Chartered Bank**

Standard Chartered Bank is incorporated in the United Kingdom and its principal address is at 1 Aldermanbury Square, London EC2V 7SB. Standard Chartered Bank accepts deposits and offers commercial banking services. Standard Chartered Bank provides banking and other financial services in the United Kingdom, Middle East, South Asia, Asia Pacific, Americas and Africa. As at 18 July 2006, the market capitalisation of Standard Chartered PLC, the parent company of Standard Chartered Bank was approximately £16.7 billion while as of its year ending December 2005, its pre-tax margin and return on common equity were approximately 23.1% and 18.9% respectively.

## **APPENDIX 4 — TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NOTES**

These are general terms and conditions for application of the Notes subject to the Offer. Please check with your Distributors for specific terms, conditions and procedures for such application as certain of these terms, conditions and procedures are subject to separate agreement with the Distributors.

Where you are relying on your Distributor to hold the Notes on your behalf, please note that your Distributor may choose to hold the Notes for you through either CDP or Euroclear. Please speak to your Distributor for more details, including any additional fees that may be payable.

Applications are invited for the subscription of the Notes at the Issue Price of SGD 10,000 for each Tranche A Note and USD 5,000 for each Tranche B Note, subject to the following terms and conditions:

- 1. YOUR APPLICATION MUST BE MADE IN DENOMINATIONS OF SGD 10,000 FOR EACH TRANCHE A NOTE OR USD 5,000 FOR EACH TRANCHE B NOTE OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF NOTES WILL BE REJECTED.**
2. Your application for the Notes under the Offer may be made by way of the printed **WHITE “NOTES APPLICATION FORM”** or by way of an electronic application via the website [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd (“**Internet Electronic Application**”). **SRS applications cannot be made online through the internet website [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd. SRS applications can only be made by way of the Notes Application Form.**
3. **You (being a person other than an approved nominee company (as defined in paragraph 6 below)) are allowed to submit application(s) in your own name for a single application for Notes under the Offer.**

**Applications in respect of the Notes under the Offer may be made by any one of the following:**

- **Notes Application Form; or**
- **Internet Electronic Application.**

**A person, other than an approved nominee company, who is submitting an application for the Notes under the Offer in his own name should not submit any other applications for the Notes under the Offer, whether on a Notes Application Form or through an Internet Electronic Application, for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected.**

**SRS account moneys cannot be used on joint applications for the Notes. Multiple applications for the Notes under the Offer will be rejected.** Persons submitting or procuring submissions of multiple applications for the Notes under the Offer may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, Chapter 289 of Singapore and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications, (other than as provided herein) will be liable to be rejected at the discretion of the Issuer.

4. We will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies and applicants whose addresses (furnished in their printed Notes Application Forms or, in the case of an Internet Electronic Application, contained in the records of Phillip Securities Pte Ltd, as the case may be) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of application.
5. We will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification or, where the application is made by way of a printed Notes Application Form or through an Internet Electronic Application by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 7 below.
6. **WE WILL ONLY ACCEPT NOMINEE APPLICATIONS FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.
7. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A DIRECT SECURITIES ACCOUNT WITH CDP OR A SECURITIES SUB-ACCOUNT WITH A DEPOSITORY AGENT OR AN SRS ACCOUNT AT THE TIME OF YOUR APPLICATION.** If you have an existing Securities Account or an SRS account but fail to provide your Securities Account number or SRS account number or provide an incorrect Securities Account number or SRS account number in section B of the Notes Application Form or in your Internet Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 8 below, your application shall be rejected if your particulars such as name, NRIC/passport number or company registration number, nationality, permanent residence status and CDP Securities Account number or SRS account number, provided in your Notes Application Form, or in the case of an Internet Electronic Application, contained in the records of Phillip Securities Pte Ltd at the time of your Internet Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP or your SRS account as maintained with your SRS operator. If you are applying through more than one direct Securities Account with CDP, your application is liable to be rejected.
8. **If your address as stated in the Notes Application Form or, in the case of an Internet Electronic Application, contained in the records of Phillip Securities Pte Ltd, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation, sent by your Distributor on behalf of the Issuer, will be sent to your address last registered with CDP.**
9. You may apply for the Notes using only cash. Unless you are applying for the Notes using the moneys in your SRS account, each application must be accompanied by a direct debit authorisation to your Distributor in respect of the number of Notes applied for in favour of your Distributor or your Distributor will require you to maintain a balance until the Issue Date or you will be required to deposit funds, which will be held on your behalf by the Distributor, into a designated account, in each case equal to the principal amount of Notes for which you have applied, which upon successful allocation, will be debited by your Distributor in an amount equal to the Notes allocated to you or you will have to comply with such other method of payment stipulated by the Distributor. Applications not accompanied by these forms of

payment will not be accepted. If you are applying for the Notes using moneys in your SRS account, you must provide your SRS account details and ensure that you have sufficient funds in your SRS account to pay for the principal amount of Notes applied for. No acknowledgement of receipt will be issued for such applications and payments.

**You may not use your CPF Investible Savings to apply for the Notes.**

10. The refund procedures and mechanism are ultimately dependent on your agreement with your Distributor or your SRS operator. Generally, where your application is accepted in part only and where excess moneys have been received, the balance of the application moneys, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Business Days after the close of the Offer, provided that the moneys have been received by the Distributor in the designated account. For applications made using moneys in SRS accounts, only the principal amount of the Notes successfully allocated will be deducted from the balance standing to the credit of the SRS accounts.
11. **The Base Prospectus and the Pricing Statement and their accompanying documents (including the Notes Application Forms) have not been registered in any jurisdiction other than in Singapore. The distribution of the Base Prospectus and the Pricing Statement and their accompanying documents (including the Notes Application Forms) and the offering or sale of the Notes may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.**

The Notes have not been and will not be registered under the US Securities Act 1933, as amended (the “**Securities Act**”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes 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**”). The Notes are being offered outside the United States to non-US persons (including institutional and other investors in Singapore) in reliance on Regulation S.

**The Issuer reserves the right to reject any application for Notes where the Issuer believes or has reason to believe that such application may violate the securities laws of the United States or any other jurisdiction or any applicable legal or regulatory requirements.**

No person in any jurisdiction outside Singapore receiving the Base Prospectus and the Pricing Statement or their accompanying documents (including the Notes Application Forms) may treat the same as an offer or invitation to subscribe for any Notes.

12. The Issuer reserves the right to reject any application which does not conform strictly to the instructions set out in the Base Prospectus and the Pricing Statement and (a) the Notes Application Form or (b) an Internet Electronic Application, or with the terms and conditions of the Pricing Statement or, in the case of an application by way of a Notes Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn authorisation.
13. The Issuer reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the Base Prospectus and Pricing Statement (including Notes Application Forms and on the website of Phillip Securities Pte Ltd), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of the Issuer, the Distributors, as agents of the Issuer, have been authorised to accept, for and on behalf of the Issuer, such other forms of application as the Distributors may, in consultation with the Issuer and the Arranger, deem appropriate.

14. The Issuer reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot any application, without assigning any reason therefor, and the Issuer will not entertain any enquiry and/or correspondence on its decision. This right applies to applications made by way of the Notes Application Forms and by way of Internet Electronic Applications. In deciding the basis of allocation, the Issuer will give due consideration to the desirability of allocating the Notes to a reasonable number of applicants with a view to establishing an adequate market for the Notes.
15. No definitive Notes will be issued to successful applicants. You irrevocably authorise CDP, if required, to complete and sign on your behalf as transferee any documents required for the issue or transfer of the Notes allocated to you. This authorisation applies to applications made by way of printed Notes Application Forms and by way of Internet Electronic Applications.
  - (a) Except where SRS account moneys are used, the Securities Account of such successful applicants (whether held directly or through Depository Agents) shall be credited with the principal amount of the Notes subscribed. In this case, it is expected that CDP will send to each successful applicant at his own risk, within ten Business Days after the close of the Issue Date, a statement showing that his Securities Account has been credited with the principal amount of Notes allocated to him. This will be the only acknowledgement of application moneys received and is not an acknowledgement by the Issuer.
  - (b) Where SRS account moneys are used, the Notes will be held in the SRS operators' accounts with CDP and CDP will credit the SRS operators' CDP account with the Notes. You will have to rely on your SRS operator to notify you about the amount of Notes you hold through them.
16. You irrevocably authorise CDP, your Distributor and your SRS operator (where applicable) to disclose the outcome of your application, including the number of Notes allocated to you pursuant to your application, to the Issuer, the Arranger and any other parties so authorised by CDP, the Issuer and the Arranger.
17. Any reference to "you" or the "Applicant" in this section shall include an individual, a corporation, an approved nominee company and trustee applying for Notes under the Offer by way of a Notes Application Form or by way of an Internet Electronic Application.
18. By completing and delivering a Notes Application Form or, in the case of an Internet Electronic Application by clicking "Submit" or "Continue" or "Yes" or "Confirm" or any other button in the website of Phillip Securities Pte Ltd in accordance with the provisions herein, you:
  - (a) irrevocably offer, agree and undertake to subscribe for the amount of Notes specified in your application (or such smaller number for which the application is accepted) at the Issue Price of SGD 10,000 for each Tranche A Note and USD 5,000 for each Tranche B Note and agree that you will accept such Notes as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, the Base Prospectus, the Pricing Statement and the Memorandum and Articles of Association of the Issuer;

- (b) agree that you have read through and understand the terms and conditions set out in this Appendix 4 and that in the event of any inconsistency between the terms and conditions for application set out in the Base Prospectus, the Pricing Statement and those set out in the website of Phillip Securities Pte Ltd, the terms and conditions set out in the Base Prospectus and the Pricing Statement shall prevail;
  - (c) agree that the aggregate amount for the Notes applied for is due and payable to the Issuer upon application;
  - (d) agree that you will make payment upon successful allocation of the Notes;
  - (e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Issuer in determining whether to accept your application and/or whether to allocate any Notes to you;
  - (f) **agree and warrant that you have completed and successfully discharged the know-your-client requirement imposed by your Distributor;**
  - (g) agree and warrant that your application will comply with and be fully consistent with all laws and regulations, credit policies, guidelines and restrictions applicable to you;
  - (h) agree and warrant that you have not relied on the Arranger, the Market Agent and the Allocation Agent or any of their affiliates in assessing the merits, risk and suitability of your application;
  - (i) agree and warrant that you have conducted your own suitability checks and procedures for your application; and
  - (j) agree and warrant that if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of the Issuer, the Arranger, the Market Agent and the Allocation Agent will infringe any such laws as a result of the acceptance of your application.
19. We will not hold any application in reserve.
20. We will not allocate any Notes on the basis of the Pricing Statement later than six months after the date of registration of this Pricing Statement.
21. Additional terms and conditions for applications by way of Notes Application Forms are set out in the section entitled “Additional Terms and Conditions for Application using Printed Application Forms” below.
22. Additional terms and conditions for applications by way of Internet Electronic Applications are set out in the section entitled “Additional Terms and Conditions for Internet Electronic Applications” below.

## **ADDITIONAL TERMS AND CONDITIONS FOR APPLICATION USING PRINTED APPLICATION FORMS**

**Applications by way of Notes Application Forms shall be made on and subject to the terms and conditions of the Base Prospectus and the Pricing Statement, including but not limited to the terms and conditions appearing below as well as those set out under the earlier section of this Appendix 4, as well as the Memorandum and Articles of Association of the Issuer.**

1. Your application for Notes under the Offer must be made using the **WHITE** Notes Application Form accompanying and forming part of the Pricing Statement.

Without prejudice to the rights of the Issuer, the Distributors, as agents of the Issuer, have been authorised to accept, for and on behalf of the Issuer, such other forms of application, as the Distributors may (in consultation with the Issuer and the Arranger) deem appropriate.

We draw your attention to the detailed instructions contained in the respective Notes Application Forms and the Pricing Statement for the completion of the Notes Application Forms, which must be carefully followed. **The Issuer reserves the right to reject applications which do not conform strictly to the instructions set out in the Notes Application Forms and the Pricing Statement or to the terms and conditions of the Pricing Statement or which are illegible, incomplete, incorrectly completed or (where applicable) which are accompanied by improperly drawn authorisations.**

2. You must complete your Notes Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. You must complete all spaces in your Notes Application Forms except those under the heading "**FOR OFFICIAL USE ONLY**" and you must write the words "**NOT APPLICABLE**" or "**N.A.**" in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of corporations, in your full names as registered with a competent authority. If you are not an individual, you must complete the Notes Application Form under the hand of an official who must state the name and capacity in which he signs the Notes Application Form. If you are a corporation completing the Notes Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents. The Issuer reserves the right to require you to produce documentary proof of identification for verification purposes.
5. You (whether an individual or corporate Applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore having an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporations. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Notes is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.



6. Capitalised terms used in the Notes Application Forms and defined in the Base Prospectus and the Pricing Statement shall bear the meanings ascribed to them in the Base Prospectus and the Pricing Statement.
7. By completing and delivering the Notes Application Form, you agree that:
  - (a) in consideration of the Issuer having distributed the Notes Application Form to you and by completing and delivering the Notes Application Form before the close of the Offer Period or such other time or date as the Issuer may, in consultation with the Arranger, decide:
    - (i) your application is irrevocable;
    - (ii) your remittance will be honoured on first presentation and that any moneys returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and
    - (iii) you represent and agree that you are not a U.S. person (within the meaning of Regulation S);
  - (b) all applications, acceptances or contracts resulting therefrom under the Offer shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the exclusive jurisdiction of the Singapore courts;
  - (c) in respect of the Notes for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by your Distributor on behalf of the Issuer and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Issuer;
  - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
  - (e) reliance is placed solely on information contained in the Base Prospectus and the Pricing Statement and that none of the Issuer, the Arranger, the Market Agent and the Allocation Agent or any other person involved in the Offer shall have any liability for any information not so contained;
  - (f) you consent to the disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number (if applicable) or SRS account number (if applicable) and application amount to the Issuer, CDP, the Arranger, the Market Agent and the Allocation Agent; and
  - (g) you irrevocably agree and undertake to subscribe for the number of Notes applied for as stated in the Notes Application Form or any smaller number of such Notes that may be allocated to you in respect of your application. In the event that the Issuer decides to allocate any smaller number of Notes or not to allocate any Notes to you, you agree to accept such decision as final.

## Steps for applications for Notes under the Offer by way of printed Notes Application Forms

1. Your application for Notes under the Offer by way of printed Notes Application Forms **MUST** be made using the **WHITE** Notes Application Forms.
2. You must:
  - (a) duly complete and sign the Notes Application Form, in accordance with the terms and conditions of the Pricing Statement, and submit the Notes Application Form to your Distributor; and
  - (b) unless you are applying for the Notes using the moneys in your SRS account (in which case you must ensure that you have sufficient funds in your SRS account), either fill up a direct debit authorisation in favour of your Distributor in respect of the Notes subscribed for or ensure that you maintain a balance, at least until the Issue Date, equal to the Notes subscribed for in your account with your Distributor or deposit funds, which will be held on your behalf by the Distributor, into a designated account, which upon successful allocation, will be debited by your Distributor in an amount equal to the principal amount of Notes allocated to you or you will have to comply with such other method of payment stipulated by the Distributor.
3. Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn authorisation are liable to be rejected.
4. No acknowledgement of receipt will be issued for any application or remittance received.

## ADDITIONAL TERMS AND CONDITIONS FOR INTERNET ELECTRONIC APPLICATIONS

The procedures for Internet Electronic Applications are set out on the website [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd. You should follow the steps stated on the website [www.poems.com.sg](http://www.poems.com.sg) in order to make an Internet Electronic Application through Phillip Securities Pte Ltd.

Currently, **Phillip Securities Pte Ltd** is the only Distributor through which Internet Electronic Applications may be made.

Please read carefully the terms of the Base Prospectus, the Pricing Statement and the terms and conditions for Internet Electronic Applications set out below before making an Internet Electronic Application. Any reference to “you” or the “Applicant” in the Additional Terms and Conditions for Internet Electronic Applications shall refer to you making an application for Notes under the Offer through the website [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd.

For an Internet Electronic Application, you must have an account with and/or a User Identification (“**User ID**”) and a Personal Identification Number (“**PIN**”) given by Phillip Securities Pte Ltd. Upon completion of your Internet Electronic Application through the website [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed out by you for your record. This printed record of the Confirmation Screen is for your retention and should not be submitted.

You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In this connection, you will be asked to declare that you are in Singapore at the time when you make the application.

**Your Internet Electronic Application shall be made on the terms and subject to the conditions of the Base Prospectus, the Pricing Statement, including but not limited to, the terms and conditions appearing below and those set out under the earlier section in this Appendix 4, as well as the Memorandum and Articles of Association of the Issuer.**

1. In connection with your Internet Electronic Application for the Notes under the Offer, you are required to confirm statements to the following effect in the course of activating the Internet Electronic Application:
  - (a) that you have received a copy of the Base Prospectus and the Pricing Statement and have read, understood and agreed to all the terms and conditions of application for the Notes under the Offer and the Base Prospectus and the Pricing Statement prior to effecting the Internet Electronic Application and agree to be bound by the same;
  - (b) that you consent to the disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, Notes application amount and if applicable, your SRS account number (the “**Relevant Particulars**”) to CDP, the Issuer, the Arranger, the Market Agent and the Allocation Agent (the “**Relevant Parties**”); and
  - (c) that this is your only application for the Notes under the Offer and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the Internet screen. By doing so, you shall be treated as signifying your confirmation of each of the above three statements. In respect of statement 1(b) above, your confirmation, by clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, to the disclosure by Phillip Securities Pte Ltd of the Relevant Particulars of your account(s) with Phillip Securities Pte Ltd to the Relevant Parties.

2. Any Internet Electronic Application made on the website [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd which does not conform strictly to the instructions set out in the Base Prospectus and the Pricing Statement or on the screens of the website [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd through which your Internet Electronic Application is being made shall be rejected.
3. You irrevocably agree and undertake to subscribe for and to accept the number of Notes under the Offer applied for as stated on the Confirmation Screen or any lesser number of such Notes under the Offer that may be allocated to you in respect of your Internet Electronic Application. In the event that the Issuer decides to allocate any lesser number of such Notes under the Offer or not to allocate any Notes under the Offer to you, you agree to accept such decision as final. If your Internet Electronic Application is successful, your confirmation (by your action of clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the Internet screen) of the amount of Notes under the Offer applied for shall signify and shall be treated as your acceptance of the number of Notes under the Offer that may be allocated to you and your agreement to be bound by the terms and conditions of the Base Prospectus, the Pricing Statement and the Memorandum and Articles of Association of the Issuer.
4. **If your Internet Electronic Application is unsuccessful, no notification will be sent by Phillip Securities Pte Ltd.**

5. You may check the result of your application through the website [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd.
6. **Internet Electronic Applications shall close at 4.30 p.m. on 18 August 2006 for the Notes under Offer or such other time and date as the Issuer may, in consultation with the Arranger decide. All Internet Electronic Applications must be received by 4.30 p.m. on 18 August 2006.** An Internet Electronic Application is deemed to be received when it enters the designated information system of Phillip Securities Pte Ltd. **For successful applicants, all cheque payments and payments via lump sum by EPS must reach Phillip Securities Pte Ltd before 12 noon on 25 August 2006. Cheque payments should be payable to Phillip Securities Pte Ltd.**
7. You irrevocably agree and acknowledge that your Internet Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Issuer, the Arranger, the Allocation Agent and Phillip Securities Pte Ltd and in any such event the Issuer, the Arranger, the Allocation Agent and/or Phillip Securities Pte Ltd do not receive your Internet Electronic Application, or data relating to your Internet Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Internet Electronic Application and you shall have no claim whatsoever against the Issuer, the Arranger, the Allocation Agent and/or Phillip Securities Pte Ltd for Notes applied for under the Offer or for any compensation, loss or damage.
8. We do not recognise the existence of a trust. Any Internet Electronic Application by a trustee must be made in his own name and without qualification. We will reject any application by any person acting as nominee (other than approved nominee companies).
9. All your particulars in the records of Phillip Securities Pte Ltd at the time you make your Internet Electronic Application shall be deemed to be true and correct and Phillip Securities Pte Ltd and any other Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Internet Electronic Application, you shall promptly notify Phillip Securities Pte Ltd.
10. You should ensure that your personal particulars as recorded by both CDP and Phillip Securities Pte Ltd are correct and identical, otherwise, your Internet Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation sent by Phillip Securities Pte Ltd, on behalf of the Issuer, will be sent to your address last registered with CDP.
11. By making and completing an Internet Electronic Application, you are deemed to have agreed that:
  - (a) in consideration of the Issuer making available the Internet Electronic Application facility through Phillip Securities Pte Ltd who acts as agent of the Issuer in the website [www.poems.com.sg](http://www.poems.com.sg) of Phillip Securities Pte Ltd:
    - (i) your Internet Electronic Application is irrevocable;
    - (ii) you represent and agree that you are not a U.S. person (as defined in Regulation S); and
    - (iii) your Internet Electronic Application, the acceptance by the Issuer and the contract resulting therefrom under the Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the exclusive jurisdiction of the Singapore courts;

- (b) none of the Issuer, the Arranger, the Allocation Agent or Phillip Securities Pte Ltd shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Internet Electronic Application to the Issuer or CDP due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 7 above or to any cause beyond their respective controls;
- (c) in respect of the Notes under the Offer for which your Internet Electronic Application has been successfully completed and not rejected, acceptance of your Internet Electronic Application shall be constituted by written notification by Phillip Securities Pte Ltd on behalf of the Issuer and not otherwise;
- (d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;
- (e) reliance is placed solely on information contained in the Base Prospectus and the Pricing Statement and that none of the Issuer, the Arranger, the Market Agent and the Allocation Agent nor any other person involved in the Offer shall have any liability for any information not so contained;
- (f) you consent to the disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number (if applicable), SRS account number (if applicable) and application amount to CDP, the Issuer, the Arranger, the Market Agent and the Allocation Agent; and
- (g) you irrevocably agree and undertake to subscribe, make payment and to accept the amount of Notes applied for as stated in your Internet Electronic Application or any smaller amount of Notes that may be allocated to you in respect of your Internet Electronic Application. In the event the Issuer decides to allocate any smaller amount of such Notes or not to allocate any Notes to you, you agree to accept such decision as final.

**Minibond Limited**  
c/o Deutsche Bank (Cayman) Limited  
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Cayman Islands

**Arranger**  
**Lehman Brothers Inc.**  
5 Temasek Boulevard  
Suntec Tower Five #11-01  
Singapore 038985

**Trustee**  
**HSBC Institutional Trust Services  
(Singapore) Limited**  
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#14-01  
HSBC Building  
Singapore 049320

**Issuing and Paying Agent and Paying Agent**  
**The Hongkong and Shanghai Banking  
Corporation Limited**  
21 Collyer Quay  
#14-01  
HSBC Building  
Singapore 049320

**Custodian**  
**The Hongkong and Shanghai  
Banking Corporation Limited**  
1 Queen's Road Central  
Hong Kong

**Swap Counterparty**  
**Lehman Brothers Special Financing Inc.**  
745 Seventh Avenue  
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New York 10019  
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*to the Issuer in respect of  
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Cayman Islands

*to the Trustee, the Issuing and Paying Agent, the Paying Agent and  
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Singapore law*  
**Allen & Gledhill**  
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**Calculation Agent and Allocation Agent**  
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**Market Agent**  
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**Corporate Services Provider**  
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