

12 November 2017

In connection with the Agreement on Investment among the Governments of the Hong Kong Special Administrative Region of the People's Republic of China and the Member States of the Association of Southeast Asian Nations ("the Investment Agreement") signed on this day, we hereby confirm the following agreement reached by the Governments of the Hong Kong Special Administrative Region of the People's Republic of China ("the HKSAR") and the Republic of Singapore ("Singapore"), (collectively, "the Parties").

For the purposes of Article 10 (Expropriation and Compensation) of the Investment Agreement, the Parties understand that in determining the "real value" of compensation for the expropriated investment referred to in paragraph 2(a) of Article 10, the valuation criteria shall include going concern value, asset value including the declared tax value of tangible property, and other criteria, as appropriate. For the avoidance of doubt, this is without prejudice to the interpretation or application of the term "real value" in other agreements relating to investment to which either Party is a party.

The above agreement shall form an integral part of the Investment Agreement as between the Parties, and shall enter into force on the date on which the Investment Agreement enters into force between the Parties.

**For the Government of
the Republic of Singapore**

**For the Government of the
Hong Kong Special
Administrative Region of the
People's Republic of China**

LIM HNG KIANG
Minister for Trade and Industry
(Trade)

EDWARD YAU TANG-WAH
Secretary for Commerce and
Economic Development