OFFERING CIRCULAR

TEMASEK

Temasek Financial (IV) Private Limited

(Incorporated with limited liability under the laws of Singapore on 27 August 2015)
(Company Registration Number: 201533091K)

S$5,000,000,000

Guaranteed Medium Term Note Programme unconditionally and irrevocably guaranteed by

Temasek Holdings (Private) Limited

(Incorporated with limited liability under the laws of Singapore on 25 June 1974)
(Company Registration Number: 197401143C)

Offering Circular dated 3 August 2018
(First announced on SGXNET on 3 August 2018)

Not for distribution in the United States

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.

Programme for issuing Notes

Under this Guaranteed Medium Term Note Programme (as amended and supplemented from time to time, the "**Programme**"), Temasek Financial (IV) Private Limited (the "**Issuer**") may from time to time issue notes (the "**Notes**") unconditionally and irrevocably guaranteed (the "**Guarantee**") by Temasek Holdings (Private) Limited (the "**Guarantor**"). The aggregate principal amount of Notes outstanding will not at any time exceed S$5,000,000,000 (or the equivalent in other currencies), unless such amount is otherwise increased pursuant to the terms of the Programme.

Listing on SGX-ST

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries (if any), their respective associates (if any), the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular.

Unlisted series of Notes may also be issued pursuant to the Programme. The relevant Pricing Supplement (as defined herein) in respect of any series of Notes will specify whether or not such Notes will be listed on the SGX-ST or any other stock exchange.

Credit Ratings

The Guarantor has been assigned an overall corporate credit rating of "Aaa" by Moody's Investors Service, Inc. ("**Moody's**") and "AAA" by S&P Global Ratings, a division of The McGraw-Hill Companies, Inc. ("**S&P**"). Each series of Notes issued under the Programme may be rated or unrated. Where a series of Notes is rated, such credit rating will not necessarily be the same as the credit ratings assigned to the Guarantor. A credit rating is a statement of opinion and is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, revision or withdrawal at any time by the assigning credit rating agency.

Risk Factors

See "Risk factors" beginning on page 18 for a discussion of certain risks in connection with an investment in the Notes.

Seasoning Framework

In relation to Notes intended to be seasoned for trading by Retail Investors (as defined herein) under the Seasoning Framework (as defined herein), the Notes will initially be issued to Specified Investors (as defined herein) only and cannot be sold to Retail Investors before the end of the Seasoning Period (as defined herein). Such Notes may be seasoned for trading by Retail Investors on the Main Board of the SGX-ST after the end of the Seasoning Period. There is no assurance that the Notes will be successfully seasoned. If successfully seasoned, after the end of the Seasoning Period, new Notes ("Post-Seasoning Notes") forming the same series as the initial issue of Notes may be offered or sold to or made the subject of an invitation for subscription or purchase by (a) Retail Investors only or (b) Retail Investors and either Institutional Investors or Relevant Persons (each as defined herein) or both, pursuant to one or more re-taps (as defined herein). The aggregate value of Post-Seasoning Notes issued to Retail Investors through re-taps must not exceed 50% of the total value of the Notes initially issued to Specified Investors only (excluding any amount of Notes issued to the lead manager, arranger and underwriter of the offer for their own accounts).

Offer Pursuant to Exemption

An offer to investors in Singapore under this Programme which is made in reliance on an exemption granted by the Monetary Authority of Singapore (the "**MAS**") pursuant to the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016 (the "**Exemption Regulations for Straight Debentures**") is not made in or accompanied by a prospectus that is registered by the MAS. This document constitutes the base document referred to in the Exemption Regulations for Straight Debentures. This base document together with the relevant Pricing Supplement constitute the simplified disclosure document referred to in the Exemption Regulations for Straight Debentures.

Eligibility Criteria

For purposes of offers made pursuant to the Exemption Regulations for Straight Debentures, as at the date of this document, the Guarantor satisfies the requirements set out in Regulation 5(1) of the Exemption Regulations for Straight Debentures as follows. The relevant Pricing Supplement in respect of each such offer of Notes will also set out how the Guarantor satisfies the requirements set out in Regulation 5(1) of the Exemption Regulations for Straight Debentures.

(i) For a continuous period of the previous five years, debentures issued by entities wholly-owned by the Guarantor were unconditionally and irrevocably guaranteed by the Guarantor and listed for quotation on the SGX-ST.

(ii) The Guarantor's net assets, as determined from the published audited annual consolidated financial statements for its most recent completed financial year, are not less than S$500 million and its average net assets, as determined from the published audited annual consolidated financial statements for its three most recent completed financial years, are not less than S$500 million.

(iii) Debentures issued in the previous five years by entities wholly-owned by the Guarantor and which are unconditionally and irrevocably guaranteed by the Guarantor satisfy both of the following:
  (A) the total value of all of those debentures that are or were listed for quotation on the SGX-ST, as at the date they were issued, was not less than S$1 billion (or its equivalent in a foreign currency); and
  (B) there has not been a default in the repayment of moneys under any of those debentures.

US Selling Restrictions

*The Notes and the Guarantee have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Notes may be offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**"). The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Any series of Notes may be subject to additional selling restrictions, which will be set forth in the relevant Pricing Supplement. See "Notice to purchasers and holders of Registered Notes and transfer restrictions" and the relevant Pricing Supplement.*

Arranger

DBS Bank Ltd.

Dealers

DBS Bank Ltd. **HSBC** **OCBC Bank** **Standard Chartered Bank** **Standard Chartered Bank (Singapore) Limited** **United Overseas Bank Limited**

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Capitalised terms used which are not otherwise defined herein shall have the same meaning as ascribed to them in "Definitions and Interpretation".

Applications for the public offer tranche of Straight Notes and Post-Seasoning Notes are to be made by way of Electronic Applications, as specified in the relevant Pricing Supplement. Prospective investors who wish to apply for the public offer tranche of Straight Notes and Post-Seasoning Notes must have a direct Securities Account with The Central Depository (Pte) Limited ("CDP") or a securities sub-account and/or investment account with a Depository Agent. Further information will be set out in "Terms and Conditions for Electronic Applications" to be appended to the relevant Pricing Supplement.

Application may be made to the Central Provident Fund ("CPF") Board for Straight Notes, Seasoned Notes and Post-Seasoning Notes to be included as an investment under the CPF Investment Scheme — Ordinary Account ("CPFIS-OA"). If approval from the CPF Board is obtained, investors may use up to 35% of investible savings in their CPF Ordinary Account (a) to apply for the public offer tranche of the Notes or (b) to purchase the Notes from the market thereafter. The relevant Pricing Supplement will indicate whether prospective investors who are members of the CPF in Singapore may use their CPF Ordinary Account savings to purchase such Notes.

Prospective investors **CANNOT** use their SRS Funds to apply for the initial offer of Straight Notes and Post-Seasoning Notes. Investors with Supplementary Retirement Scheme ("SRS") accounts should consult their stockbrokers and the relevant banks in which they hold their SRS accounts if they wish to purchase such Notes from the market after the completion of the offer and the listing of such Notes on the SGX-ST using SRS Funds.

In making an investment decision, investors must rely on their own examination of the Issuer and Temasek, the terms of the Programme and any of the terms and conditions of any series of Notes offered thereunder. By receiving this Offering Circular and the relevant Product Highlights Sheet (if any), investors acknowledge that (i) they have not relied on the Arranger, any Dealer, the Trustee, any Agent or any person affiliated with the Arranger, any Dealer, the Trustee or any Agent in connection with their investigation of the accuracy of any information in this Offering Circular or the relevant Product Highlights Sheet (if any) or their investment decision and (ii) no person has been authorised to give any information or to make any representation concerning the issue or sale of the Notes, the Issuer or Temasek other than as contained in this Offering Circular and the relevant Product Highlights Sheet (if any) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, Temasek, the Arranger, the Dealers, the Trustee or the Agents.

Certain information in this Offering Circular and the relevant Product Highlights Sheet (if any) with respect to Temasek's portfolio companies has been extracted from publicly available documents and information, including annual reports, information available on corporate websites and documents filed by such companies with their respective regulators and, if applicable, the relevant stock exchanges on which their securities are listed. Potential investors in the Notes may obtain information regarding these companies from such public sources. None of such documents or publicly available information is incorporated by reference in this Offering Circular or the relevant Product Highlights Sheet (if any). Each of the Issuer and Temasek makes no representation, express or implied, and does not accept any responsibility with respect to the accuracy or completeness of any information made publicly available by Temasek's portfolio companies, whether or not included in this Offering Circular or the relevant Product Highlights Sheet (if any). As the Temasek Group's results of operations may be materially affected by conditions in the global capital markets and the economy generally, Temasek has taken note of prevailing macro-economic and market conditions in major economies as described in "Management's discussion and analysis of financial condition and results of operations — Significant factors affecting the Temasek Group's financial condition and results of operations — Global market and economic conditions" and "Risk factors — Considerations related to the Issuer and Temasek — Temasek and its portfolio companies are subject to macroeconomic, strategic, financial, operational and political risks". For the avoidance of doubt, Temasek is an investment company and its portfolio companies are guided and managed by their respective boards and management. Temasek does not direct their business decisions or operations. Accordingly, Temasek does not have the necessary information that would put it in a position to provide disclosure on any current, future or past trends, uncertainties, demands, commitments or events which may have a material effect on the net sales or revenues, profitability, liquidity or capital resources of any such portfolio company or the extent to which such portfolio company's performance may affect the Temasek Group as a whole in either this Offering Circular or the relevant Product Highlights Sheet (if any). Consequently, the financial information disclosed in this Offering Circular or the relevant Product Highlights Sheet (if any) is not necessarily indicative of the future operating results or financial condition of any such portfolio company or the extent to which such portfolio company's performance may affect the Temasek Group as a whole.

Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, Temasek or the Temasek Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, Temasek or the Temasek Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular, any Pricing Supplement or any Product Highlights Sheet and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular, any Pricing Supplement or any Product Highlights Sheet comes are required by the Issuer, Temasek, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, any Pricing Supplement and/or any Product Highlights Sheet, see "Plan of distribution", "Notice to purchasers and holders of Registered Notes and transfer restrictions" and the relevant Pricing Supplement.

None of the Arranger, the Dealers, the Trustee or the Agents makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular or any Product Highlights Sheet or for any statement made or purported to be made by the Arranger, a Dealer, the Trustee or an Agent or on its behalf in connection with the Issuer, Temasek or the issue and offering of the Notes. The Arranger, each Dealer, the Trustee and each Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular and any Product Highlights Sheet or any such statement. None of this Offering Circular, any Product Highlights Sheet or any other financial statements or information supplied in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, Temasek, the Temasek Group, the Arranger, the Dealers, the Trustee or the Agents that any recipient of this Offering Circular or any Product Highlights Sheet or any other person should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and any Product Highlights Sheet, and its purchase of Notes should be based upon such investigation as it deems necessary.

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

The Notes and the Guarantee have not been and will not be registered under the Securities Act. The Notes may not be offered or sold within the United States or to, or for the account, or benefit of, U.S. persons. The Notes may be offered or sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Any series of Notes may be subject to additional selling restrictions. Any additional restrictions on the sale or transfer of any series of Notes will be specified in the relevant Pricing Supplement for such Notes.

In connection with the offering of any series of Notes, each Dealer is acting or will act for the Issuer in connection with the offering and no one else and will not be responsible to anyone other than the Issuer for providing the protection afforded to clients of that Dealer nor for providing advice in relation to any such offering.

In respect of offers made pursuant to Sections 274 and/or 275 of the SFA, this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the 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, (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, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

In respect of offers made pursuant to the Exemption Regulations for Straight Debentures, this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes (including, without limitation, the Product Highlights Sheet) may not be circulated or distributed, nor may the 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 in accordance with the conditions specified in the Exemption Regulations for Straight Debentures.

In respect of offers made pursuant to the Exemption Regulations for Post-Seasoning Debentures, this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes (including, without limitation, the Product Highlights Sheet) may not be circulated or distributed, nor may the 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 in accordance with the conditions specified in the Exemption Regulations for Post-Seasoning Debentures.

For a description of other restrictions, see "Plan of distribution", "Notice to purchasers and holders of Registered Notes and transfer restrictions" and the relevant Pricing Supplement.

Notification under Section 309B(1)(c) of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

Notes of each series (as described in "Summary — Summary of the Programme") to be issued in bearer form will initially be represented by interests in a temporary global note or a permanent global note, in either case in bearer form (each a "Temporary Global Note" and a "Permanent Global Note", respectively), without interest coupons, which may be deposited on or about the Issue Date with CDP, subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or with a common depositary on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream"), or with any other agreed clearance system compatible with Euroclear and Clearstream. Interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note (each a "Global Note") from 40 days after the later of the Issue Date and the completion of the distribution of the Notes (the "Exchange Date"), upon certification as to non-U.S. beneficial ownership. Interests in a Permanent Global Note may be exchanged for individual definitive Notes ("Definitive Notes") only in the limited circumstances as described therein and summarised in "Form of Notes — Bearer Notes".

Notes of each series to be issued in registered form ("Registered Notes") will initially be represented by interests in a global Certificate, without interest coupons (each a "Global Certificate"), which may be deposited on the Issue Date with CDP, subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream. Beneficial interests in a Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by CDP, Euroclear or Clearstream. See "Annex A — Global clearance and settlement". Individual definitive Certificates ("Definitive Certificates") will otherwise only be available in certain limited circumstances as described herein.

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

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors," the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor in the EEA means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and (iii) not a qualified investor as defined in the Prospectus Directive (as defined herein). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Documents incorporated by reference

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

Available information

The Issuer has undertaken to immediately disclose to the SGX-ST via SGXNET information which may have a material effect on the price or value of the Notes or on an investor's decision whether to trade in the Notes.

Temasek is an exempt private company under the Companies Act, Chapter 50 of Singapore (the "Singapore Companies Act") and therefore it is not required to file its financial statements with the relevant public registry in Singapore. The consolidated financial statements included in this Offering Circular from pages FS1 to FS126 are included only for the purpose of the offering of the Notes under the Programme.

Enforcement of civil liabilities

Each of the Issuer and Temasek is a company incorporated in Singapore and all or a significant portion of their assets are located in Singapore and certain other jurisdictions. In addition, a majority of the Issuer's and Temasek's directors and executive officers, and certain of the parties named in this Offering Circular reside in Singapore, and all or a significant portion of the assets of such persons may be located in Singapore and certain other jurisdictions. As a result, it may not be possible for investors to effect service of process upon the Issuer or Temasek or such persons outside Singapore and outside such other jurisdictions, or to enforce judgments obtained in courts outside Singapore and outside such other jurisdictions. Judgments of foreign courts based upon the civil liability provisions of foreign laws may not be enforceable in Singapore courts, and there is doubt as to whether Singapore courts will enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of foreign laws.

Forward-looking statements

Certain statements in this Offering Circular and the relevant Product Highlights Sheet (if any) constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Temasek's or the Temasek Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of Temasek or its portfolio companies and the environment in which they will operate in the future. The important factors that could cause the actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the condition of and changes in the local, regional or global economy, changes in government regulation and licensing of the business activities of Temasek or its portfolio companies and increased competition in the various industries in which Temasek or its portfolio companies operate. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk factors", "Management's discussion and analysis of financial condition and results of operations", "Annex D — Constitutional safeguards", "Business of Temasek" and "Board and management". These forward-looking statements speak only as at the date of this Offering Circular or the date of the relevant Product Highlights Sheet (if any), as the case may be. The Issuer and Temasek expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the expectations of the Issuer and Temasek with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Presentation of financial and other information

The financial statements for the Temasek Group included in this Offering Circular are presented on a consolidated basis comprising the financial statements of Temasek and its subsidiaries and their interests in associates and joint ventures. Financial statements for Temasek on a non-consolidated basis are not presented in this Offering Circular and are not publicly available.

Temasek's consolidated financial statements and the Issuer's financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"), which differ in certain respects from International Financial Reporting Standards ("IFRS"). As a result, Temasek's consolidated financial statements and the Issuer's financial statements and their reported earnings could be different from those which would be reported under IFRS. Such differences may be material. This Offering

Circular does not contain a reconciliation of Temasek's consolidated financial statements or the Issuer's financial statements to IFRS nor does it include any information in relation to the differences between FRS and IFRS. Had the financial statements and other financial information been prepared in accordance with IFRS, the results of operations and financial position may have been materially different. See "Risk factors — Considerations related to the Issuer and Temasek — The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries". In making an investment decision, investors must rely upon their own examination of the Issuer, Temasek and the Temasek Group, the terms of the particular series of Notes and the financial information relating to the Temasek Group and the Issuer. Potential investors should consult their own professional advisers for an understanding of these differences between FRS and IFRS, and how such differences might affect the financial information contained herein.

Definitions and Interpretation

For the purpose of this Offering Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

"Agency Agreement"	:	The agency agreement dated 3 August 2018 (as may be further amended, supplemented or otherwise modified and in effect from time to time) entered into among the Issuer, the Guarantor, the Trustee and the Agents
"Agents"	:	The agents named in the Agency Agreement
"Alibaba"	:	Alibaba Group Holding Limited
"Arranger"	:	DBS Bank Ltd.
"ASB"	:	Ascendas-Singbridge Pte Ltd
"A.S. Watson"	:	A.S. Watson Holdings Limited
"ATM"	:	Automated teller machine
"ATM Electronic Application"	:	Application made by way of ATMs belonging to the relevant Participating Banks in accordance with the terms and conditions of this Offering Circular and the relevant Pricing Supplement
"Bearer Notes"	:	Notes in bearer form
"C Rules"	:	Rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(C) for purposes of Section 4701 of the U.S. Internal Revenue Code
"CapitaLand"	:	CapitaLand Limited
"CCB"	:	China Construction Bank Corporation
"CDP"	:	The Central Depository (Pte) Limited
"CEO"	:	Chief Executive Officer
"Certificate"	:	A registered certificate representing one or more Registered Notes of the same series, being substantially in the form set out in the Trust Deed and, save as provided in the Terms and Conditions of the Notes, comprising the entire holding by a holder of Registered Notes of that series
"Clearstream"	:	Clearstream Banking S.A.
"Constitution"	:	The Constitution of Singapore
"Coupon"	:	Interest coupons relating to interest bearing Bearer Notes
"Couponholders"	:	The holders of the Coupons
"CPF"	:	Central Provident Fund
"CPFIS-OA"	:	CPF Investment Scheme – Ordinary Account
"CUSIP"	:	Committee on Uniform Securities Identification
"D Rules"	:	Rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code
"Danamon"	:	PT Bank Danamon Indonesia Tbk
"DBS"	:	DBS Group Holdings Ltd
"Dealers"	:	Persons appointed as dealers under the Programme
"Definitive Certificates"	:	Registered Notes in definitive form

"Definitive Notes"	:	Bearer Notes in definitive form
"Depository Services Agreement"	:	The agreement entered into with CDP setting out the terms and conditions for the provision of depository services by CDP
"Directors"	:	The directors of the Issuer and/or Temasek, as the case may be
"Electronic Application"	:	An ATM Electronic Application, an Internet Electronic Application and other electronic means as may be specified in the "Terms and Conditions for Electronic Applications" to be appended to the relevant Pricing Supplement in respect of the public offer tranche of Straight Notes and Post-Seasoning Notes
"Euroclear"	:	Euroclear Bank S.A./N.V.
"Exchange Date"	:	The date that is 40 days after the later of the Issue Date and the completion of the distribution of the Notes, on which interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note
"Exemption Regulations for Post-Seasoning Debentures"	:	Securities and Futures (Offers of Investments) (Exemption for Offers of Post-Seasoning Debentures) Regulations 2016, as amended or modified from time to time
"Exemption Regulations for Straight Debentures"	:	Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016, as amended or modified from time to time
"FATCA"	:	Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the U.S. Internal Revenue Code, as amended, or pursuant to any agreements and any official pronouncements with respect thereto or any inter-governmental agreement or legislation or other guidance adopted in connection therewith
"FRS"	:	Singapore Financial Reporting Standards
"GDP"	:	Gross domestic product
"Global Certificate"	:	A global Certificate representing Registered Notes of one or more tranches of the same series
"Global Note"	:	A global Note representing Bearer Notes of one or more tranches of the same series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note
"Government"	:	The Government of Singapore
"Group"	:	References to an entity's "Group" are to that entity together with its subsidiaries, taken as a whole
"Guarantee"	:	The guarantee given by the Guarantor as set out in the Trust Deed
"Guarantor"	:	Temasek Holdings (Private) Limited
"Hong Kong dollars"	:	The lawful currency of Hong Kong
"ICBC"	:	Industrial and Commercial Bank of China Limited
"IFRS"	:	International Financial Reporting Standards
"Indian rupees"	:	The lawful currency of India
"Institutional Investor"	:	Has the same meaning ascribed to it in Section 4A of the SFA

"Internet Electronic Application"	:	Application made by way of the internet banking websites of the relevant Participating Banks in accordance with the terms and conditions of this Offering Circular and the relevant Pricing Supplement
"ISIN"	:	International Securities Identification number
"Issue Date"	:	The date of issue of the Notes
"Issuer"	:	Temasek Financial (IV) Private Limited
"ITA"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
"Korean won"	:	The lawful currency of the Republic of Korea
"Mapletree"	:	Mapletree Investments Pte Ltd
"MAS"	:	The Monetary Authority of Singapore
"Maturity Date"	:	The date of maturity of the Notes
"MOF"	:	The Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore
"Moody's"	:	Moody's Investors Service, Inc.
"NOL"	:	Neptune Orient Lines Limited
"Noteholders"	:	The holders of the Notes
"Notes"	:	The notes to be issued by the Issuer under the Programme
"Olam"	:	Olam International Limited
"Participating Banks"	:	The banks which are named as "Participating Banks" in the relevant Pricing Supplement in respect of an offer of Straight Notes or Post-Seasoning Notes
"per cent." or "%"	:	Per centum or percentage
"Permanent Global Note"	:	A Global Note representing Bearer Notes of one or more tranches of the same series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in the Trust Deed
"portfolio companies"	:	Companies in which Temasek holds an interest, directly and/or indirectly, through one or more Investment Holding Companies
"Post-Seasoning Notes"	:	Notes offered to (a) Retail Investors only or (b) Retail Investors and either Institutional Investors or Relevant Persons or both, pursuant to the Exemption Regulations for Post-Seasoning Debentures after the end of the Seasoning Period pursuant to one or more re-taps
"Pricing Supplement"	:	In relation to a series of Notes, a pricing supplement, to be read in conjunction with this Offering Circular, specifying the relevant issue details in relation to such series of Notes
"Product Highlights Sheet"	:	The product highlights sheet to be prepared in relation to Straight Notes, Seasoned Notes and Post-Seasoning Notes
"Programme"	:	The S$5,000,000,000 Guaranteed Medium Term Note Programme of the Issuer
"Programme Agreement"	:	The programme agreement dated 3 August 2018 (as may be further amended, supplemented or otherwise modified and in effect from time to time) entered into among the

		Issuer, the Guarantor, the Arranger and the Dealers named therein
"PSA"	:	PSA International Pte Ltd
"QDS"	:	Qualifying debt securities
"Receipt"	:	Receipts for the payment of instalments of principal relating to Bearer Notes of which the principal is payable in instalments
"Registered Notes"	:	Notes in registered form
"Regulation S"	:	Regulation S under the Securities Act
"Relevant Person"	:	Has the same meaning ascribed to it in Section 275(2) of the SFA
"Renminbi"	:	The lawful currency of the People's Republic of China
"Retail Investors"	:	Investors in Singapore who are not Institutional Investors or Relevant Persons
"re-tap"	:	In relation to offers under the Seasoning Framework, an issuance of new Notes after the end of the Seasoning Period that has the same terms (except for price, original tenor, size and date of issuance) and form the same series as the Notes initially issued to Specified Investors only
"Rp."	:	The lawful currency of the Republic of Indonesia
"S$" or "Singapore dollars"	:	The lawful currency of the Republic of Singapore
"S&P"	:	S&P Global Ratings, a division of The McGraw-Hill Companies, Inc.
"Seasoned Notes"	:	Notes offered under the Seasoning Framework which were initially issued to Specified Investors only and which have been successfully seasoned for trading by Retail Investors
"Seasoning Framework"	:	The framework for offer of notes provided for by Part VI of Chapter 3 of the Listing Manual of the SGX-ST and the Exemption Regulations for Post-Seasoning Debentures
"Seasoning Period"	:	In relation to Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework, the six-month period from the date of listing on the SGX-ST of the initial Notes issued to Specified Investors only
"Securities Account"	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
"Securities Act"	:	U.S. Securities Act of 1933, as amended or modified from time to time
"Sembcorp"	:	Sembcorp Industries Ltd
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"SGXNET"	:	The network of the SGX-ST, a system network used by listed companies in sending information and announcements to the SGX-ST, or any other system networks prescribed by the SGX-ST
"SIA"	:	Singapore Airlines Limited
"Singapore"	:	The Republic of Singapore
"Singapore Companies Act"	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time

"Singapore Power"	:	Singapore Power Limited
"Singtel"	:	Singapore Telecommunications Limited
"Specified Currency"	:	Such currency as may be agreed between the Issuer and the relevant Dealers and specified in the relevant Pricing Supplement
"Specified Denomination"	:	Such denomination of Notes indicated in the relevant Pricing Supplement
"Specified Investors"	:	Persons specified under Section 274 or Section 275 of the SFA (or such equivalent terms in the relevant jurisdictions where the Notes are subscribed)
"SRS"	:	Supplementary Retirement Scheme
"SRS Funds"	:	Moneys contributed to SRS accounts under the SRS
"ST Engineering"	:	Singapore Technologies Engineering Ltd
"ST Telemedia"	:	Singapore Technologies Telemedia Pte Ltd
"Stabilising Manager(s)"	:	The Dealer(s) named as stabilising manager(s) in the relevant Pricing Supplement
"Standard Chartered"	:	Standard Chartered PLC
"Sterling"	:	The lawful currency of the United Kingdom
"Straight Notes"	:	Notes which are offered pursuant to the Exemption Regulations for Straight Debentures
"TEFRA"	:	Tax Equity and Fiscal Responsibility Act of 1982
"Temasek"	:	As the context requires, Temasek Holdings (Private) Limited individually or Temasek Holdings (Private) Limited and its Investment Holding Companies collectively
"Temasek Group"	:	Temasek together with its subsidiaries, taken as a whole
"Temasek International"	:	Temasek International Pte. Ltd.
"Temporary Global Note"	:	A Global Note representing Bearer Notes of one or more tranches of the same series, being substantially in the form set out in the Trust Deed
"Trust Deed"	:	The trust deed dated 3 August 2018 (as may be further amended, supplemented or otherwise modified and in effect from time to time) entered into among the Issuer, the Guarantor and the Trustee
"Trustee"	:	DBS Trustee Limited
"US$" or "U.S. dollars"	:	The lawful currency of the United States of America
"U.S. Internal Revenue Code"	:	United States Internal Revenue Code of 1986, as amended

The terms "Depositor" and "Depository Agent" have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular, where applicable, include the plural and *vice versa*. Words importing the masculine gender, where applicable, include the feminine and neuter genders and *vice versa*. References to persons include corporations.

Any reference to a time of day and dates in this Offering Circular is a reference to Singapore time and dates unless otherwise stated.

Any reference in this Offering Circular to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Singapore Companies Act, the SFA, the ITA, the Securities Act, TEFRA or the U.S. Internal Revenue Code or any amendment or modification thereof and not otherwise defined in this Offering Circular, where applicable, has the same meaning ascribed to it under the Singapore Companies Act, the SFA, the ITA, the Securities Act, TEFRA or the U.S. Internal Revenue Code or such amendment or modification thereof, as the case may be.

Certain amounts (including percentage amounts) have been rounded for convenience, and as a result, the aggregate of certain figures may not sum to total amounts or equal quotients.

References in this Offering Circular to "Investment Holding Companies" are to Temasek Holdings (Private) Limited's direct and indirect wholly-owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of (1) Temasek Holdings (Private) Limited, (2) Temasek Pte. Ltd., a wholly-owned subsidiary of Temasek Holdings (Private) Limited, and/or (3) wholly-owned subsidiaries of Temasek Pte. Ltd.. The principal activities of Temasek Holdings (Private) Limited and its Investment Holding Companies are that of investment holding, financing and/or the provision of investment advisory and consultancy services.

"Net Portfolio Value" as at a specified date:

(a) refers to the sum of (i) the market value of investments in publicly-listed securities as at such specified date and (ii) the fair value of investments in unlisted securities, in each case held directly by Temasek or indirectly through an Investment Holding Company, whether such holding is for the short term or the long term; and

(b) takes into account the net amount of other assets and liabilities of Temasek and its Investment Holding Companies.

In respect of (a)(ii), the fair value of unlisted available-for-sale investments is based on valuation methods in accordance with FRS, and the fair value of investments in unlisted subsidiaries, associates and joint ventures is based on the sum of (1) the proportionate share of the shareholders' equity as set out in the financial statements of the relevant portfolio companies as at their respective financial year ends or latest available financial statements and (2) any premium paid, net of any subsequent impairment. In the case of unlisted subsidiaries, associates and joint ventures that hold substantially investments in publicly-listed securities, the fair value of investments in such unlisted subsidiaries, associates and joint ventures will take into account the market value of the underlying publicly-listed securities which they hold.

In determining the distribution of Temasek's portfolio across sectors and/or geographies, Temasek takes its Net Portfolio Value and attributes such value generally based on the percentage of assets of its portfolio companies in such sectors and/or geographies as derived from the financial statements of such companies or otherwise as provided by such companies. Temasek's short term investments and the net amount of other assets and liabilities are allocated proportionately across sectors and geographies for the purpose of determining Temasek's portfolio distribution. All references to the distribution of Temasek's Net Portfolio Value by sector and geography or discussions of a proportion of Temasek's Net Portfolio Value being attributed to any particular sector or geography in this Offering Circular refer to the distribution by the underlying assets as described above.

For purposes of determining the composition of Temasek's portfolio by currencies,

(a) the currency in which an investment is denominated is determined as follows:

  (i) in the case of a listed equity security, by the currency in which the listed security is traded,

  (ii) in the case of an unlisted equity security, by the functional currency of the unlisted portfolio company,

  (iii) in the case of a debt security, by the currency of the debt instrument,

  (iv) in the case of a fund investment, by the currency in which the fund is denominated, and

  (v) in the case of an equity derivative, by the currency of the derivative instrument; and

(b) the currencies in which net other assets and liabilities are denominated are determined by the currency of each underlying asset or liability.

To the extent there is a currency hedge in respect of any portion of an asset or liability of Temasek, that hedged portion would be considered to be denominated in the currency to which it is hedged.

In this Offering Circular, references to Temasek's interests in its portfolio companies refer to Temasek's effective interest in such portfolio companies. "Effective interest", when used with respect to a portfolio company, refers to the aggregate of (i) the percentage interest in a portfolio company held directly by Temasek, if any, and (ii) Temasek's proportionate percentage interest in such portfolio company held indirectly through one or more of its subsidiaries computed based on Temasek's percentage interest in any such subsidiary multiplied by such subsidiary's percentage interest in such portfolio company. It does not include (a) Temasek's proportionate percentage interest in such portfolio company held indirectly through one or more of its associates or joint ventures and (b) the trading portfolios of Temasek and/or its subsidiaries.

Summary

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements contained or referred to elsewhere in this Offering Circular, including "Risk factors", "Management's discussion and analysis of financial condition and results of operations", "Business of Temasek" and "Board and management". For a discussion of Net Portfolio Value, see "Definitions and Interpretation" on page xiii. To understand the terms of the Notes, investors should carefully read the section of this Offering Circular entitled "Terms and Conditions of the Notes", and the risks of investing in the Notes under "Risk factors" and the relevant Pricing Supplement.

Temasek

Temasek is an investment company with a portfolio of investments covering a wide range of countries and industry sectors. Temasek has been assigned an overall corporate credit rating of "Aaa" by Moody's and "AAA" by S&P.

Temasek was incorporated in 1974 under the Singapore Companies Act and is wholly-owned by the Government through MOF, a body corporate constituted under the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore. The Constitution sets out a framework relating to the safeguarding of past reserves of Temasek as described in "Annex D — Constitutional safeguards".

Temasek's Net Portfolio Value amounted to S$308 billion as at 31 March 2018, compared to S$275 billion and S$242 billion as at 31 March 2017 and 2016, respectively. Temasek ended the year with a net cash position.

As at 31 March 2018, approximately 27% of Temasek's Net Portfolio Value was in Singapore, 26% in China, 15% in rest of Asia, 13% in North America, 9% in Europe, 7% in Australia & New Zealand, 2% in Africa, Central Asia & the Middle East and 1% in Latin America.

As at 31 March 2018, Temasek's top three sectors (based on contribution to Temasek's Net Portfolio Value) were financial services, telecommunications, media & technology and consumer & real estate, which comprised 26%, 21% and 16%, respectively.

Temasek has delivered an annualised Total Shareholder Return of 15% in Singapore dollar terms to Temasek's shareholder by market value since its inception to 31 March 2018. See "Business of Temasek — Total Shareholder Return" for details on the manner of computation of Total Shareholder Return.

See "Business of Temasek — Major investments" for a description of the major companies in Temasek's portfolio.

Strategy

Temasek is an investment company that owns and manages its assets based on commercial principles. Temasek is an active investor and shareholder that aims to deliver sustainable value over the long term. Temasek is a forward-looking institution that acts with integrity and is committed to the pursuit of excellence. Temasek is also a trusted steward that strives for the advancement of its communities across generations.

As an active investor, Temasek shapes its portfolio by increasing, holding or decreasing its investment holdings. These actions are driven by a set of commercial principles to create and maximise risk-adjusted returns over the long term.

As an engaged shareholder, Temasek promotes sound corporate governance in its portfolio companies. This includes the formation of high calibre, experienced and diverse boards. Companies in its portfolio are guided and managed by their respective boards and management; Temasek does not direct their business decisions or operations.

Similarly, Temasek's investment, divestment and other business decisions are directed by its Board and management. Neither the President of Singapore nor Temasek's shareholder, the Government, is involved in Temasek's business decisions.

Temasek's decisions as a professionally-managed investment company are guided by business tenets and commercial discipline.

Temasek continues to centre its investment strategies on these four investment themes:

- *Transforming Economies* — Tapping the potential of transforming economies like China, India, South East Asia and Latin America, through investments in sectors such as financial services, infrastructure and logistics.
- *Growing Middle Income Populations* — Leveraging growing consumer demands through investments in sectors such as telecommunications, media & technology, and consumer & real estate.
- *Deepening Comparative Advantages* — Seeking out economies, businesses and companies with distinctive intellectual property and other competitive advantages.
- *Emerging Champions* — Investing in companies with a strong home base, as well as companies at inflection points, with the potential to be regional or global champions.

These four investment themes are supplemented by trends which Temasek has identified to be disruptors of traditional business models or creators of new opportunities.

These trends, driven by technological advances, demographic shifts, and changing consumption patterns, include:

- *Longer Lifespans* — Markets and industries are developing to meet growing needs as we live longer;
- *Rising Affluence* — The combination of rising affluence and technology is redefining consumption patterns and attitudes in emerging markets;
- *Sustainable Living* — Increasingly eco-conscious solutions will create up to US$12 trillion of business opportunities by 2030, according to the Business & Sustainable Development Commission's January 2017 "Better Business Better World" report;
- *Smarter Systems* — Artificial intelligence and robotics are enabling ground-breaking capabilities;
- *More Connected World* — Digital connectivity and solutions are redefining how we communicate and interact around the world; and
- *Sharing Economy* — Peer-to-peer networks are promoting more efficient use of resources and greater convenience for businesses and consumers.

Individual investment and divestment decisions are shaped by Temasek's bottom-up intrinsic value tests. As the owner of its portfolio, Temasek may choose to invest, divest or remain in cash as its investment stance. Temasek has the flexibility to take concentrated positions and invest over varying horizons. Temasek maintains full flexibility to shift the weight of its portfolio in response to major trends and market opportunities.

See "Business of Temasek — Strategy".

The Issuer

The Issuer is indirectly, through an Investment Holding Company, a wholly-owned subsidiary of Temasek, and was incorporated under the laws of Singapore on 27 August 2015. It is an Investment Holding Company whose principal activity is financing.

Temasek's principal executive office is located at 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891, telephone number +65 6828 6828. Information on Temasek's website, www.temasek.com.sg, does not constitute a part of this Offering Circular and should not be relied upon. The Issuer's principal executive office is located at 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

Summary of the Programme

The following general summary does not purport to be complete and is qualified in its entirety by the more detailed information provided elsewhere in this Offering Circular and, in relation to the terms and conditions applicable to a particular series of Notes, by a Pricing Supplement. This summary is derived from and should be read in conjunction with the Programme Agreement and the Trust Deed relating to the Notes. The terms and conditions of the Programme Agreement and the Trust Deed prevail to the extent of any inconsistency with the terms set out in this section. Words and expressions used in this summary and not otherwise defined shall have the meanings ascribed to such words and expressions appearing elsewhere in this Offering Circular.

Issuer	Temasek Financial (IV) Private Limited
Guarantor	Temasek Holdings (Private) Limited
Description	S$5,000,000,000 Guaranteed Medium Term Note Programme
Arranger	DBS Bank Ltd.
Dealers	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Oversea-Chinese Banking Corporation Limited, Standard Chartered Bank, Standard Chartered Bank (Singapore) Limited and United Overseas Bank Limited
Trustee	DBS Trustee Limited
Issuing and Paying Agent, Paying Agent, Calculation Agent, Transfer Agent and Registrar	DBS Bank Ltd.
Size	The aggregate principal amount (which in the case of Notes issued at a premium, shall be the aggregate initial offering price, in the case of Notes issued at a discount from their principal amount, shall be their principal amount, in the case of partly paid Notes, shall be the amount of subscription monies paid up at such time, and in the case of Notes denominated in a currency other than Singapore dollars, the equivalent amount in another currency determined in accordance with the Programme Agreement) of Notes outstanding at any time shall not exceed S$5,000,000,000 (or its equivalent in any other currency) which amount may be increased pursuant to the Programme Agreement. As at the date of this Offering Circular, no Notes have been issued under the Programme.
Notes	Notes to be issued under the Programme may be: (1) Offered pursuant to Sections 274 and/or 275 of the SFA to Specified Investors (or such equivalent terms in other jurisdictions). (2) Offered pursuant to the Exemption Regulations for Straight Debentures, being Straight Notes which are offered to (a) Retail Investors and (b) either Institutional Investors or Relevant Persons or both. Only Notes which fall within the definition of "straight debenture" in the Exemption Regulations for Straight Debentures may be offered pursuant to the Exemption Regulations for Straight Debentures. As such, Notes offered pursuant to the Exemption Regulations for Straight Debentures must fulfil the following requirements: (i) have a fixed term that does not exceed 10 years;

(ii) provide for repayment of the principal sum at the end of the fixed term;

(iii) have periodic interest payments which cannot be deferred;

(iv) carry a fixed rate of interest, or a floating rate of interest comprising a reference rate and a fixed spread which cannot be decreased (the sum of which may not be less than zero);

(v) are not convertible into or exchangeable for other securities, equity interests or property, nor attached with options, warrants or similar rights to subscribe for or purchase other securities, equity interests or property;

(vi) are not redeemable before the end of the fixed term except in the circumstances referred to below;

(vii) are not asset-backed securities within the meaning of Section 262 of the SFA, or a structured note;

(viii) are not subordinated to any other debt obligation of the Issuer or the Guarantor; and

(ix) cannot be written off, whether in whole or in part, except with the approval of a minimum percentage of holders of Notes of the same issue as those Notes, as specified in the Terms and Conditions of the Notes.

The applicable circumstances referred to in (2)(vi) above are:

(a) the Notes become redeemable when either the Issuer or the Guarantor incurs or will incur additional taxes, duties or government charges imposed, levied, collected, withheld or assessed by any authority of any country or territory in relation to the Notes, due to (i) a change in a law, regulation, ruling, treaty or administrative pronouncement; or (ii) a change in the application or interpretation of any of the matters mentioned in sub-paragraph (i), and the redemption is for an amount that is at least equal to the sum of the principal amount at par and accrued interest; and

(b) the redemption of the Notes is for an amount equal to the sum of the accrued interest and the greater of (i) the principal amount at par; and (ii) a make-whole amount determined by discounting the principal amount and all remaining interest payments at a discount rate comprising a reference rate and a fixed spread specified in the relevant Pricing Supplement.

In relation to each offer of Straight Notes, not less than 20% of the Straight Notes are to be issued to Institutional Investors and/or Relevant Persons (excluding any amount of Straight Notes issued or to be issued to the lead manager, arranger and underwriter of the offer for their own accounts).

As at the date of this document, the Guarantor meets the criteria for exemption under the Exemption Regulations for

Straight Debentures. There is no assurance that the Guarantor will continue to meet the criteria for exemption.

(3) Offered under the Seasoning Framework.

Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework will initially be issued to Specified Investors only and cannot be sold to Retail Investors before the end of the Seasoning Period. Such Notes may be seasoned for trading by Retail Investors on the Main Board of the SGX-ST after the end of the Seasoning Period. There is no assurance that the Notes will be successfully seasoned. If successfully seasoned, after the end of the Seasoning Period, pursuant to the Exemption Regulations for Post-Seasoning Debentures, Post-Seasoning Notes may be offered or sold to or made the subject of an invitation for subscription or purchase by (a) Retail Investors only or (b) Retail Investors and either Institutional Investors or Relevant Persons or both, pursuant to one or more re-taps. The aggregate value of Post-Seasoning Notes issued to Retail Investors through re-taps must not exceed 50% of the total value of the Notes initially issued to Specified Investors only (excluding any amount of Notes issued to the lead manager, arranger and underwriter of the offer for their own accounts).

Only Notes which fall within the definition of "seasoned debenture" in the Exemption Regulations for Post-Seasoning Debentures may be seasoned for trading by Retail Investors.

As such, Notes intended to be seasoned for trading by Retail Investors must fulfil the following requirements:

(i) have a fixed term that does not exceed 10 years;

(ii) provide for repayment of the principal sum at the end of the fixed term;

(iii) have periodic interest payments which cannot be deferred;

(iv) carry a fixed rate of interest, or a floating rate of interest comprising a reference rate and a fixed spread which cannot be decreased (the sum of which may not be less than zero);

(v) are not convertible into or exchangeable for other securities, equity interests or property, nor attached with options, warrants or similar rights to subscribe for or purchase other securities, equity interests or property;

(vi) are not redeemable before the end of the fixed term except in the circumstances referred to below;

(vii) are not asset-backed securities within the meaning of Section 262 of the SFA, or a structured note;

(viii) are not subordinated to any other debt obligation of the Issuer or the Guarantor;

(ix) cannot be written off, whether in whole or in part, except with the approval of a minimum percentage of holders of Notes of the same issue as those Notes, as specified in the Terms and Conditions of the Notes;

(x) were issued pursuant to an offer made in reliance on an exemption under Sections 274 and/or 275 of the SFA;

(xi) were part of an issue of Notes the size of which was not less than S$150 million (or its equivalent in a foreign currency);

(xii) are listed for quotation on the SGX-ST; and

(xiii) are made available for trading by investors (including Retail Investors) on the SGX-ST pursuant to the listing rules of the SGX-ST and only after their Seasoning Period.

The applicable circumstances referred to in (3)(vi) above are:

(a) the Notes become redeemable when either the Issuer or the Guarantor incurs or will incur additional taxes, duties or government charges imposed, levied, collected, withheld or assessed by any authority of any country or territory in relation to the Notes, due to (i) a change in a law, regulation, ruling, treaty or administrative pronouncement; or (ii) a change in the application or interpretation of any of the matters mentioned in sub-paragraph (i), and the redemption is for an amount that is at least equal to the sum of the principal amount at par and accrued interest; and

(b) the redemption of the Notes is for an amount equal to the sum of the accrued interest and the greater of (i) the principal amount at par; and (ii) a make-whole amount determined by discounting the principal amount and all remaining interest payments at a discount rate comprising a reference rate and a fixed spread specified in the relevant Pricing Supplement.

As at the date of this document, the Guarantor meets the criteria for exemption under the Exemption Regulations for Post-Seasoning Debentures. There is no assurance that the Guarantor will continue to meet the criteria for exemption.

In each case, Notes will only be offered to non-U.S. persons in offshore transactions (in each case, as defined in Regulation S) in reliance on Regulation S.

Distributions and Application and Payment Procedures . . . . Notes offered to Specified Investors only will be offered from time to time by the Issuer through the Dealers. The Issuer may sell such Notes to the Dealers acting as principals for resale to investors or other purchasers and may also sell Notes directly on its own behalf. Such Notes may be distributed on a syndicated or non-syndicated basis. See “Plan of distribution”.

In relation to a series of Straight Notes or Post-Seasoning Notes, one or more Dealers may agree with the Issuer and the Guarantor to procure subscribers for such Notes which are offered (or intended to be offered) to, *inter alia*, Retail Investors on an underwritten basis.

	Offers of Straight Notes will comprise a public offer tranche and a placement tranche. Offers of Post-Seasoning Notes may comprise a public offer tranche only or a public offer tranche and a placement tranche. Applications for the placement tranche of Straight Notes and Post-Seasoning Notes are to be made directly through the relevant Dealers for that series, who will determine, at their discretion, the manner and method for applications. Payment for such Notes is to be made in full on or about the Issue Date, unless otherwise agreed by the Issuer and the relevant Dealers. Applications for the public offer tranche of Straight Notes and Post-Seasoning Notes are to be made by way of Electronic Applications, as specified in the relevant Pricing Supplement. Further information will be set out in "Terms and Conditions for Electronic Applications" to be appended to the relevant Pricing Supplement. The relevant Pricing Supplement will also set out the period during which the offer will be kept open. Payment for such Notes is to be made in full upon application. In relation to offers of Straight Notes and Post-Seasoning Notes, the Issuer, the Guarantor and the relevant Dealers reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. In relation to the offers of Straight Notes and Post-Seasoning Notes, the Issuer will announce the outcome of the offer, and where appropriate, the level of subscription, the basis of allocation and allotment and the subscription rate for the offer, prior to the listing of such Notes on the SGX-ST. The expenses incurred in connection with the offer of the Notes will not be specifically charged to subscribers for the Notes, unless otherwise disclosed in the relevant Pricing Supplement.
Eligibility under CPF Investment Scheme and Supplementary Retirement Scheme	Application may be made to the CPF Board for Straight Notes, Seasoned Notes and Post-Seasoning Notes to be included as an investment under the CPFIS-OA. If approval from the CPF Board is obtained, investors may use up to 35% of investible savings in their CPF Ordinary Account (a) to apply for the public offer tranche of the Notes or (b) to purchase the Notes from the market thereafter. The relevant Pricing Supplement will indicate whether prospective investors who are members of the CPF in Singapore may use their CPF Ordinary Account savings to purchase such Notes. Prospective investors **CANNOT** use their SRS Funds to apply for the initial offer of Straight Notes and Post-Seasoning Notes. Investors with SRS accounts should consult their stockbrokers and the relevant banks in which they hold their SRS accounts if they wish to purchase such Notes from the market after the completion of the offer and the listing of such Notes on the SGX-ST using SRS Funds.
Currencies	Euros, Renminbi, Singapore dollars, Sterling, U.S. dollars and, subject to compliance with all relevant laws, regulations and directives, such other Specified Currencies as may be agreed

	between the Issuer and the relevant Dealers and specified in the relevant Pricing Supplement. Each series of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements. See the relevant Pricing Supplement.
Series	Notes will be issued in series, with all Notes in a series having the same maturity date and terms otherwise identical (except in relation to issue dates, interest paid or payable on or prior to the first interest payment date after issuance thereof, issue prices and related matters). The Notes of each series will be interchangeable with all other Notes of that series. In relation to Notes offered under the Seasoning Framework, after the end of the Seasoning Period, pursuant to the Exemption Regulations for Post-Seasoning Debentures, new Notes forming the same series as the initial issue of Notes may be offered or sold to or made the subject of an invitation for subscription or purchase by (a) Retail Investors only or (b) Retail Investors and either Institutional Investors or Relevant Persons or both, pursuant to one or more re-taps. Each such re-tap of Notes will have the same terms (except for price, original tenor, size and date of issuance) as the Notes initially issued to Specified Investors only.
Maturities	The Notes will mature on a date specified in the relevant Pricing Supplement, as selected by the relevant Dealers and agreed to by the Issuer and subject to such other minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the Guarantor or the relevant Specified Currency, provided that Straight Notes and Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework must not have a maturity of less than one year.
Issue Price	Notes may be issued at an issue price which is at par or at a discount to, or at a premium over, par, and on a fully-paid or partly-paid basis. For each series of Notes, the Issue Price will be determined by the Issuer in consultation with the relevant Dealers and where applicable, after a bookbuilding process.
Forms of the Notes	Notes may be issued in bearer or in registered form, as specified in the relevant Pricing Supplement. Bearer Notes will not be exchangeable for Registered Notes, and Registered Notes will not be exchangeable for Bearer Notes. Each series of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, may be deposited on the Issue Date with CDP, subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or with a common depositary for Euroclear, Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream. Interests in a Temporary Global Note will be exchangeable, in whole or in part, as described therein, for interests in a Permanent Global Note from the Exchange Date. Interests in a Permanent Global Note may be exchanged for

	Definitive Notes only in the limited circumstances described therein and summarised in “Form of Notes — Bearer Notes”. Any interest in a Temporary Global Note or a Permanent Global Note will be transferable only in accordance with the rules and procedures for the time being of CDP, Euroclear, Clearstream and/or any other agreed clearance system, as appropriate. Each series of Bearer Notes shall comply with rules in substantially the same form as the D Rules unless otherwise stated in the relevant Pricing Supplement. Each series of Registered Notes will, unless otherwise specified in the relevant Pricing Supplement, be represented by a Global Certificate, which will be deposited on or about its Issue Date with CDP, subject to any restrictions or conditions which may be applicable (as specified in the relevant Pricing Supplement), or with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to the expiry of the Distribution Compliance Period (as defined in “Form of Notes”), beneficial interests in a Global Certificate of such series may be held only through CDP, Euroclear or Clearstream. Global Certificates will be exchangeable for Definitive Certificates only in the limited circumstances more fully described in “Annex A — Global clearance and settlement”. Application will be made to have Notes of any series accepted for clearance and settlement through the facilities of CDP and/or Euroclear and Clearstream, as appropriate. See “Annex A —Global clearance and settlement”.
Interest Rates	Interest-bearing Notes may be issued either as Fixed Rate Notes or Floating Rate Notes. Interest on Floating Rate Notes will be determined with reference to one or more of the Commercial Paper Rate, the Prime Rate, the CD Rate, the Federal Funds Rate, the Treasury Rate, the CMT Rate, LIBOR, EURIBOR, SIBOR, SOR or another interest rate basis, each as adjusted by the Spread and/or Spread Multiplier, if any, as set forth in the relevant Pricing Supplement. Any Floating Rate Note may also have a maximum and/or minimum interest rate limitation. See “Terms and Conditions of the Notes”. Zero coupon Notes may be issued at their principal amount or at a discount from their principal amount and will not bear interest.
Withholding Tax	All payments in respect of Notes, the Receipts and the Coupons and payments under the Guarantee will be made free and clear of, and will be payable by the Issuer and the Guarantor without withholding or deduction for, or on account of, taxes, duties, assessments or governmental charges (“Taxes”) imposed by or for the account of Singapore (as described in “Terms and Conditions of the Notes — Taxation”), except as otherwise required by law. If the Issuer or the Guarantor is required by law to deduct or withhold any such Taxes, the Issuer or the Guarantor will, subject to certain exceptions as described in “Terms and Conditions of the Notes — Taxation”, be required to pay such additional amounts as are necessary to enable holders of Notes not denominated in Singapore dollars to receive, after such deductions or withholding, the amounts they would have received in the absence of such withholding or deductions. No such additional amount shall be payable in relation to Notes denominated in

	Singapore dollars. See "Terms and Conditions of the Notes — Taxation". As set out in "Certain Singapore tax considerations — Singapore taxation", payments of interest and other Qualifying Income (as defined therein) derived from any tranche of the Notes which are QDS are not subject to withholding of tax by the Issuer, subject to the conditions stated in such section. In making an investment decision, investors are strongly advised to consult their own professional advisers in respect of the tax implications of holding the Notes. See "Certain Singapore tax considerations".
Denominations	Notes will be issued in the Specified Denominations indicated in the relevant Pricing Supplement, except that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Unless otherwise stated in the relevant Pricing Supplement, Notes (other than Straight Notes and Notes offered under the Seasoning Framework) shall be issued in minimum denominations of S$200,000 (or its equivalent in any other currency) and higher integral multiples of S$1,000 (or its equivalent as aforesaid). Unless otherwise stated in the relevant Pricing Supplement, Notes initially issued to Specified Investors only under the Seasoning Framework shall be issued in minimum denominations of S$200,000 (or its equivalent in any other currency) and higher integral multiples of S$1,000 (or its equivalent as aforesaid). If successfully seasoned, after the end of the Seasoning Period, such Notes (being Seasoned Notes) will (without the consent of the Trustee, the Noteholders or the Couponholders) be re-denominated to denominations of S$1,000 (or its equivalent in the relevant currency), unless otherwise stated in the relevant Pricing Supplement. Unless otherwise stated in the relevant Pricing Supplement, Straight Notes shall be issued in denominations of S$1,000 (or its equivalent in any other currency). The Issuer may, without the consent of the Trustee, the Noteholders or Couponholders, at any time after any issue of such Notes, (i) reduce the denomination of the Notes into smaller divisible amounts and/or (ii) remove or reduce the minimum denomination requirement in respect of such Notes. See "Terms and Conditions of the Notes — Form, Denomination and Title". Prospective investors should consider the Issuer's rights with respect to the reduction or removal of the minimum denomination of the Notes after issuance in light of their own internal requirements as to the minimum denominations of securities they may purchase and hold, if any, and legal or other obligations applicable to them.
Change in Obligor	Each of the Issuer and the Guarantor is permitted to consolidate with or merge into any Person, in each case, where the Issuer or the Guarantor, as the case may be, is not the surviving or resulting entity, or convey, transfer, sell or lease, in one transaction or a series of transactions, directly or indirectly, all or substantially all of its property and assets to any Person, so long as the conditions set forth in "Terms and Conditions of

the Notes — Consolidation, Merger and Sale of Assets and Substitution" are satisfied. The approval from Noteholders is not required if the Issuer or the Guarantor, as the case may be, satisfies such conditions.

Negative Pledge . . . . None.

Cross Default . . . . The terms of the Notes will contain a cross default provision in respect of other indebtedness of the Issuer and the Guarantor.

Redemption . . . . Unless previously redeemed or purchased and cancelled or unless such Note is stated in the relevant Pricing Supplement as having no fixed maturity date, the Notes will be redeemed on their maturity date at the redemption amount specified in the relevant Pricing Supplement (the "Redemption Amount").

The Notes may also be redeemed at the option of the Issuer for certain taxation reasons set forth in "Terms and Conditions of the Notes — Redemption, Purchase and Options — Redemption for Taxation Reasons".

The Notes may, unless otherwise specified in the relevant Pricing Supplement, be redeemed at the option of the Issuer in whole or in part at the Optional Redemption Amount (which, unless otherwise specified in the Pricing Supplement, shall be equal to the greater of (i) the principal amount of the Notes being redeemed and (ii) the amount determined by discounting the principal amount of the Notes plus all required remaining scheduled interest payments due on such Notes at a Make Whole Call Reference Rate (as defined in the relevant Pricing Supplement) plus a spread specified in the relevant Pricing Supplement), together with interest accrued to the date fixed for redemption.

The relevant Pricing Supplement will indicate whether the Notes can otherwise be redeemed prior to their maturity date at the option of the Issuer and/or the Noteholders and, if so, the terms applicable to such redemption.

Straight Notes, Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework and Post-Seasoning Notes may only provide for:

(a) redemption for certain taxation reasons set forth in "Terms and Conditions of the Notes — Redemption, Purchase and Options — Redemption for Taxation Reasons"; and

(b) redemption at the option of the Issuer as set forth in "Terms and Conditions of the Notes — Redemption, Purchase and Options — Redemption at the option of the Issuer" where redemption of the Notes is for an amount equal to the sum of the accrued interest and the greater of (i) the principal amount at par, and (ii) a make-whole amount determined by discounting the principal amount and all remaining interest payments at a discount rate comprising a reference rate and a fixed spread specified in the relevant Pricing Supplement.

Redemption by Instalments . . . . . The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Credit ratings	The Guarantor has been assigned an overall corporate credit rating of "Aaa" by Moody's and "AAA" by S&P. Each series of Notes issued under the Programme may be rated or unrated. Where a series of Notes is rated, such credit rating will not necessarily be the same as the credit ratings assigned to the Guarantor. A credit rating is a statement of opinion and is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, revision or withdrawal at any time by the assigning credit rating agency.
Status of the Notes	Unless otherwise stated in the relevant Pricing Supplement, the Notes will constitute direct, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and at least *pari passu* with all other existing and future unsecured and unsubordinated obligations of the Issuer, other than with respect to obligations which may be preferred by law or rank senior by operation of law.
Guarantee	The Guarantor will fully, unconditionally and irrevocably guarantee to each Noteholder the due payment of all amounts owing from time to time under the Notes. Unless otherwise stated in the relevant Pricing Supplement, the Guarantee of the Notes will constitute a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and will rank at least *pari passu* with all existing and future unsecured and unsubordinated obligations of the Guarantor (other than with respect to obligations which may be preferred by law or rank senior by operation of law) and senior to all existing and future subordinated obligations of the Guarantor.
Listing of the Notes	Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Unlisted series of Notes may also be issued pursuant to the Programme, provided that for so long as the rules of the SGX-ST, the Exemption Regulations for Straight Debentures and/or the Exemption Regulations for Post-Seasoning Debentures (as the case may be) require, all issues of Straight Notes, Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework and Post-Seasoning Notes are to be listed on the SGX-ST. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealers in relation to each series of Notes. The Pricing Supplement relating to each series of Notes will state whether or not the Notes of such series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.
Trading of the Notes	Save as disclosed below, if the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S$200,000 (or its equivalent in other currencies). Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework will initially be issued to Specified Investors only and traded in board lot sizes of at least S$200,000 (or its equivalent in foreign currencies). After the end of the Seasoning Period and after receiving confirmation

from the SGX-ST that the Notes are eligible for trading by Retail Investors, subject to fulfilment of the applicable conditions and provided the Issuer does not withdraw the Notes from the Seasoning Framework, the Notes will be seasoned for trading by Retail Investors and such Seasoned Notes will commence trading on the Main Board of the SGX-ST in board lot sizes of S$1,000 (or its equivalent in foreign currencies).

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Straight Notes will comprise S$1,000 (or its equivalent in foreign currencies) in principal amount of such Notes.

In relation to Straight Notes, Seasoned Notes and Post-Seasoning Notes, upon the listing of and quotation for such Notes on the Main Board of the SGX-ST, the Notes will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Notes effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited", as the same may be amended from time to time. Copies of the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" are available from CDP.

Notes may also be traded over-the-counter on the Debt Securities Clearing and Settlement System.

Governing Law .... The Notes will be governed by, and construed in accordance with, the laws of Singapore and shall be issued under the Trust Deed.

Security Codes .... The Common Code and the ISIN for each series of Notes will be contained in the Pricing Supplement relating thereto. In addition, the Issuer will make an application with respect to any Global Certificate to be accepted for deposit by CDP, Euroclear or Clearstream, as the case may be.

Selling Restrictions .... The offer and sale of Notes and the delivery of this Offering Circular is restricted in certain jurisdictions. See "Plan of distribution", "Notice to purchasers and holders of Registered Notes and transfer restrictions" and any additional selling and transfer restrictions set out in the relevant Pricing Supplement.

Bearer Notes will be issued in compliance with the D Rules unless (i) the relevant Pricing Supplement states that Bearer Notes are issued in compliance with rules in substantially the same form as the C Rules or (ii) Bearer Notes are issued other than in compliance with the D Rules or the C Rules but only in circumstances in which the Notes will not constitute "registration required obligations" for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which the TEFRA rules are not applicable.

Summary financial and other information

The following tables set forth summary financial information for the Temasek Group as at and for the years ended 31 March 2016, 2017 and 2018. The summary financial information for the Temasek Group as at and for the years ended 31 March 2016, 2017 and 2018 should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto, which are included elsewhere in this Offering Circular. The summary financial information for the Issuer as at and for the years ended 31 March 2017 and 2018 is set out in "The Issuer — Selected financial data for the Issuer".

The consolidated financial statements of Temasek and the financial statements of the Issuer have been prepared in accordance with FRS. Had the financial statements and other financial information been prepared in accordance with IFRS, the results of operations and financial position may have been materially different. See "Risk factors — Considerations related to the Issuer and Temasek — The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries".

Summary financial information for the Temasek Group

Summary income statement information

	Year ended 31 March		
	2016	**2017**	**2018**
		(S$ million)	
Revenue	101,501	97,057	107,131
Net expenses(1)	(93,443)	(82,452)	(86,695)
Share of profit of associates and joint ventures, net of tax	6,673	5,714	9,100
Profit before tax	14,731	20,319	29,536
Tax expense	(2,094)	(2,589)	(2,691)
Profit for the year	12,637	17,730	26,845
Attributable to:			
Equity holder of Temasek	8,425	14,193	21,338
Non-controlling interests	4,212	3,537	5,507
Profit for the year	12,637	17,730	26,845

Note:

(1) Comprises cost of sales, selling and distribution expenses, administrative expenses, finance expenses and other expenses, net of other income.

Summary statement of comprehensive income information

	Year ended 31 March		
	2016	**2017**	**2018**
	(S$ million)		
Profit for the year	12,637	17,730	26,845
Other comprehensive income			
Net change in fair value of available-for-sale financial assets, net of tax	(15,107)	11,927	20,164
Others, net[1]	4,133	(1,373)	(7,983)
Total comprehensive income for the year	1,663	28,284	39,026
Attributable to:			
Equity holder of Temasek	(2,174)	24,224	34,091
Non-controlling interests	3,837	4,060	4,935
Total comprehensive income for the year	1,663	28,284	39,026

Note:

(1) Comprises translation differences; share of associates' and joint ventures' reserves; net change in fair value of available-for-sale financial assets reclassified to income statement, net of tax; cash flow hedges, net of tax; disposal of investments in subsidiaries, with loss of control; disposal or dilution of investments in associates and joint ventures; and others, net.

Summary balance sheet information

	As at 31 March		
	2016	**2017**	**2018**
	(S$ million)		
Assets			
Property, plant and equipment	69,856	70,769	75,173
Investments in associates and joint ventures	80,099	83,494	84,767
Non-current financial assets and derivative financial instruments	88,429	98,292	131,981
Other assets[1]	72,735	77,353	87,378
Current assets	104,708	117,692	112,202
Total assets	415,827	447,600	491,501
Equity and Liabilities			
Equity attributable to equity holder of Temasek	218,152	238,876	272,688
Non-controlling interests	40,561	43,125	47,514
Non-current liabilities	83,948	89,157	96,757
Current liabilities	73,166	76,442	74,542
Total equity and liabilities	415,827	447,600	491,501

Note:

(1) Comprises intangible assets, biological assets, investment properties, deferred tax assets and other non-current assets.

Summary cash flow statement information

	Year ended 31 March		
	2016	2017	2018
		(S$ million)	
Profit before tax	14,731	20,319	29,536
Cash flows from operating activities	11,163	14,016	14,786
Cash flows used in investing activities	(14,670)	(7,235)	(22,957)
Cash flows from financing activities	2,373	2,683	2,515
Net (decrease)/increase in cash and cash equivalents	(1,134)	9,464	(5,656)
Cash and cash equivalents at the beginning of the year	43,747	42,613	52,077
Cash and cash equivalents at the end of the year	42,613	52,077	46,421

Other financial information

	As at and for the year ended 31 March		
	2016	2017	2018
EBITDA[(1)] (million)	S$25,093	S$30,947	S$40,320
EBITDA interest coverage[(2)]	9.2	11.0	12.8
Net debt[(3)] (million)	S$44,411	S$39,255	S$49,663
Net debt/EBITDA[(4)]	1.8	1.3	1.2
Net debt/capital[(5)] (%)	14.7	12.2	13.4

Notes:

(1) EBITDA is not determined in accordance with FRS as FRS does not prescribe the computation methodology of EBITDA. EBITDA of the Temasek Group is defined as profit before tax, finance expenses, depreciation, amortisation and impairment loss on property, plant and equipment and intangible assets. EBITDA of the Temasek Group may not be comparable to that of other companies that may determine EBITDA differently. EBITDA of the Temasek Group is presented as an additional measure because management believes that some investors find it to be a useful tool for measuring the Temasek Group's ability to fund capital expenditures or to service debt obligations. It should not be considered in isolation or as an alternative to net profit as an indicator of operating performance or as an alternative to cash flows as a measure of liquidity.

Reconciliation of profit before tax to EBITDA:

	Year ended 31 March		
	2016	2017	2018
		(S$ million)	
Profit before tax	14,731	20,319	29,536
Add: Depreciation/impairment loss on property, plant and equipment	6,750	6,893	6,769
Add: Amortisation/impairment loss on intangible assets	887	929	861
Add: Finance expenses	2,725	2,806	3,154
EBITDA	25,093	30,947	40,320

(2) EBITDA interest coverage is calculated by dividing EBITDA by finance expenses.

(3) Net debt is not determined in accordance with FRS as FRS does not prescribe the computation methodology of net debt. Net debt of the Temasek Group is computed by subtracting cash and cash equivalents (excluding bank overdrafts) from total debt. Net debt of the Temasek Group may not be comparable to that of other companies that may determine net debt differently. Net debt of the Temasek Group is presented as an additional measure because management believes that some investors find it to be a useful tool for assessing the Temasek Group's net debt position. It should not be considered in isolation or as an alternative to total debt as a measure of the Temasek Group's total debt obligations.

Reconciliation of total debt to net debt:

	As at 31 March		
	2016	2017	2018
		(S$ million)	
Total debt*	87,246	91,555	96,219
Less: Cash and cash equivalents (excluding bank overdrafts)	(42,835)	(52,300)	(46,556)
Net debt	44,411	39,255	49,663

* See Note 28 of Temasek's consolidated financial statements which are included elsewhere in this Offering Circular. This figure includes bank overdrafts.

(4) Net debt/EBITDA is calculated by dividing net debt by EBITDA.

(5) Net debt/capital is calculated by dividing net debt by the sum of net debt and total equity expressed as a percentage.

Risk factors

This Offering Circular contains forward-looking statements that involve risks and uncertainties. The following section does not describe all of the risk factors relating to an investment in the Notes. Prospective investors in the Notes should carefully read this Offering Circular in its entirety, including the following risk factors (some of which are familiar to investors generally but which have been included as additional guidance for Retail Investors).

Considerations related to the Issuer and Temasek

Temasek and its portfolio companies are subject to macroeconomic, strategic, financial, operational and political risks

Temasek and its portfolio companies are subject to macroeconomic, strategic, financial, operational and political risks. See "Business of Temasek — Risk management". In particular, its investment portfolio is subject to investment and market risks as well as concentration risks. Temasek's investment portfolio may be concentrated in certain sectors and geographic regions or in certain of its individual investments which may or may not be listed. Temasek's investment portfolio profile may change from period to period depending on various factors, including market conditions, investment opportunities, and the investments and divestments undertaken by Temasek.

As at 31 March 2018, Temasek's top three sectors (based on contribution to Temasek's Net Portfolio Value) were financial services, telecommunications, media & technology and consumer & real estate, which comprised 26%, 21% and 16%, respectively. In terms of geographic exposure, as at 31 March 2018, approximately 27% of Temasek's Net Portfolio Value was in Singapore, 26% in China, 15% in rest of Asia, 13% in North America, 9% in Europe, 7% in Australia & New Zealand, 2% in Africa, Central Asia & the Middle East and 1% in Latin America. In particular, as at 31 March 2018, the top three countries were Singapore, China and the United States, which accounted for about 27%, 26% and 13% of Temasek's Net Portfolio Value, respectively. As at 31 March 2018, Temasek's top three investments were Singtel, DBS and CCB, which accounted for about 9%, 7% and 4% of Temasek's Net Portfolio Value, respectively. As at 31 March 2018, Temasek's top 10 companies accounted for about 41% of its Net Portfolio Value, and its liquid and listed assets comprised about 61% of its Net Portfolio Value, consisting of 36% of liquid assets and assets comprising investments that each represent a minority interest of less than 20% in a listed company, 10% of assets comprising investments that each represent a 20% or more but less than 50% interest in a listed company and 15% of assets comprising investments that each represent 50% or more interest in a listed company. Unlisted assets comprised about 39% of Temasek's Net Portfolio Value as at 31 March 2018, consisting of investments in companies and funds.

As described in "Management's discussion and analysis of financial condition and results of operations — Significant factors affecting the Temasek Group's financial condition and results of operations — Global market and economic conditions", the macroeconomic environment remains challenging. The Temasek Group's results of operations are materially affected by conditions in the global capital markets and the economy generally, in addition to regions where Temasek has direct exposure. Macroeconomic and market conditions in major economies, such as the U.S., Europe and China, will likely have significant bearing on global monetary conditions, investors' confidence and risk appetite, as well as underlying growth prospects and global asset prices.

2017 was a strong year for global growth and markets. Looking forward, while Temasek is constructive in its outlook on the global economy in the near term, the pace of global economic expansion is subject to several risks that could negatively impact Temasek's performance. These include trade tensions and geopolitical risks. Market valuations remain high and selected developed economies are closer to the late-stage of the current economic expansion cycle. There is less fiscal and monetary policy space for policymakers in developed economies to respond to the next slowdown as compared to the last global shock. This could potentially result in more prolonged recessions, should the global economy experience negative growth shock. In addition to risks to growth in developed markets, volatility in China's growth or downside risks such as a credit crunch could have a considerable knock-on impact on regional economies and commodity prices. The current environment presents significant policy uncertainty, especially in global trade and geopolitical tensions. Trade friction has started to arise between the largest trading partners in the world. Growth and financial performance in emerging markets, Asia and trade-exposed economies such as Singapore are particularly vulnerable to disruptions to global trade flows, capital flows, business investments, and global supply chains in the event of escalation in trade tensions. Geopolitics also continues to be an area of concern, including ongoing threats of terrorism and instability in the Middle East. These developments have had and may continue to have a material adverse effect on global economic conditions across all markets and significantly reduce liquidity and stability of global financial markets.

Downside risks and volatility in the global financial markets have had, and could in the future have, a significant impact on the value of Temasek's portfolio, the value and profitability of Temasek's portfolio companies' businesses and, in turn, the Temasek Group's revenue and profitability. In addition, these conditions have had, and could in the future have, a significant impact on the ability of Temasek's portfolio companies to pay dividends or make other distributions or payments to Temasek, or may result in its investment selections not generating the expected returns.

If Temasek determines that the value of its investment securities is impaired, Temasek would record an impairment loss in its consolidated income statement, which could materially adversely impact Temasek's consolidated results of operations. Temasek's consolidated shareholder's equity would also be adversely impacted due to the decline in the value of its investment securities. Furthermore, because Temasek has investments in different geographic regions that are denominated in different foreign currencies, Temasek's returns on these investments, including any dividends received from these investments, are subject to foreign exchange rate risks. Fluctuations between these currencies and the Singapore dollar, Temasek's reporting currency, also expose Temasek to translation risk when accounting for these investments in its financial statements. While Temasek adopts a portfolio risk management approach and regularly monitors its portfolio in respect of such risks, these risks are inherent in Temasek's business and cannot be entirely eliminated. Any such risks, if they materialise, may adversely affect the Temasek Group's financial condition and results of operations. Furthermore, any political instability, terrorism or military conflict in countries in the regions in which Temasek invests or globally could materially and adversely affect the Temasek Group's results of operations, financial position and cash flows.

Credit ratings assigned to Temasek are statements of opinion and not investment recommendations

Temasek has been assigned an overall corporate credit rating of "Aaa" by Moody's and "AAA" by S&P. A credit rating is a statement of opinion and is not a recommendation to buy, sell or hold the Notes. Each series of Notes issued under the Programme may be rated or unrated. Credit ratings are subject to suspension, revision or withdrawal at any time by the assigning credit rating agency. Credit rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. Temasek has been assigned an overall corporate credit rating, and may additionally be issued a stand-alone credit rating. No assurance can be given that if Temasek were issued such a stand-alone credit rating, it would be the same as or would not be lower than its overall corporate credit rating. Moreover, no assurances can be given that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the relevant credit rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to assign such credit ratings. Neither the Issuer nor Temasek has any obligation under the Notes to inform Noteholders of any such revision, downgrade or withdrawal. A suspension, revision or withdrawal at any time of the credit rating assigned to Temasek, the Programme or the Notes may adversely affect the market price or liquidity of the Notes. Moreover, Temasek's credit ratings do not reflect the potential impact related to market or other risks discussed above relating to the Notes. See "Credit ratings".

Temasek, its Investment Holding Companies and its portfolio companies are exposed to various regulatory and litigation risks

Temasek and its Investment Holding Companies hold investments in many countries. This means Temasek and such entities from time to time are confronted with complex legal and regulatory requirements and judicial systems in many jurisdictions. Regulatory matters or litigation actions involving Temasek or its Investment Holding Companies or restrictions on Temasek or such entities in any jurisdiction may have a material adverse effect on the Temasek Group's financial condition and results of operations.

Temasek and its portfolio companies operate around the world and provide worldwide services with facilities in many countries. This means Temasek and such entities from time to time are confronted with complex legal and regulatory requirements and judicial systems in many jurisdictions. These include trade and non-trade barriers and requirements relating to withholding taxes on remittances and other payments, as well as the risk of regulatory or litigation action by regulators or private parties. Any such regulatory or litigation actions against Temasek or its portfolio companies or restrictions on

Temasek or such entities in any jurisdiction may have a material adverse effect on the Temasek Group's financial condition and results of operations.

Temasek is an investment company and is substantially dependent on the payment of dividends and distributions by its portfolio companies, and cash receipts from disposals of its investments in its portfolio companies

The Issuer is indirectly, through an Investment Holding Company, a wholly-owned subsidiary of Temasek. It is an Investment Holding Company whose principal activity is financing. The Issuer will provide the proceeds from any issuance of Notes under the Programme to Temasek and its Investment Holding Companies to fund their ordinary course of business, unless otherwise disclosed in the relevant Pricing Supplement.

As Temasek is an investment company incorporated for the purpose of holding and managing its investments both in Singapore and other countries, its operating cash flows and its ability to meet its obligations, including under the Guarantee and funding the Issuer's payments on the Notes, are substantially dependent upon the payment of funds by its portfolio companies to it in the form of dividends, distributions or otherwise, cash receipts from disposals or divestitures of its investments and its ability to borrow. Temasek's portfolio companies are legally distinct from Temasek and have no obligation to pay any amounts due with respect to Temasek's obligations or to make funds available for such payments. The ability of Temasek's portfolio companies to pay dividends or make other distributions or payments to Temasek is subject to, among others, availability of profits or funds, restrictions on the payment of dividends contained in each portfolio company's indebtedness and applicable laws and regulations. The Notes contain no covenants that prevent Temasek's portfolio companies from entering into agreements which may restrict their ability to pay dividends or make distributions to Temasek.

Liabilities relating to investments and divestments

In connection with an investment in, or divestment of, an interest in a company, Temasek may be exposed to certain claims or liabilities relating to the subject company (or its ownership interest therein), including without limitation tax or environmental claims or liabilities. There can be no assurance that any such claim or liability would not have a material adverse effect on Temasek's financial condition and results of operations.

Government ownership of Temasek

Temasek is wholly-owned by the Government through MOF. However, as the Government is not obligated to provide financial support to Temasek, Temasek's obligations under the Guarantee are not guaranteed by the Government and the Government has no obligation to Noteholders. There can be no assurance that the Government will provide financial support to Temasek in the event that Temasek is unable to meet its obligations under the Guarantee. In addition, the Government is not obligated to, and there can be no assurance that it will, maintain its current level of ownership in Temasek.

The Government, through MOF, is the 100% shareholder of Temasek. Under the Singapore Companies Act, Temasek's business is managed by or under the direction of its Directors. Notwithstanding that the Government, through MOF, has the capacity to cause a shareholder resolution for the appointment or removal of the Directors of Temasek to be passed, such appointment or removal is subject to safeguards under the Constitution. See "Annex D — Constitutional safeguards". While the Government, through MOF, has not taken any action to cause any shareholder resolution to be passed by MOF for the removal of any Director of Temasek, subject to applicable laws including the safeguards under the Constitution, there can be no assurance that the Government will not do so in the future in a way that is inconsistent with the interests of Noteholders.

Dependence on the Singapore economy

Any economic recession or other deterioration in Singapore's economy, changes in taxation or any decline in business, industrial, manufacturing or financial activity in Singapore could materially and adversely affect the Temasek Group's results of operations, financial position and cash flows. See "Management's discussion and analysis of financial condition and results of operations — Significant factors affecting the Temasek Group's financial condition and results of operations — The Singapore economy".

Enforceability of civil liabilities under securities laws of jurisdictions outside Singapore

Each of the Issuer and Temasek is incorporated under the laws of Singapore, and all or a significant portion of their assets are located in Singapore and certain other jurisdictions. In addition, a majority of their Directors and executive officers, and certain of the parties named in this Offering Circular reside in Singapore, and all or a significant portion of the assets of such persons may be located in Singapore and certain other jurisdictions. As a result, it may not be possible for investors to enforce judgments against them or the Issuer or Temasek in courts outside Singapore and outside such other jurisdictions. In particular, investors should be aware that judgments of foreign courts based upon the civil liability provisions of foreign laws may not be enforceable in Singapore courts, and there is doubt as to whether Singapore courts will enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of foreign laws.

The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries

Temasek's consolidated financial statements and the Issuer's financial statements are prepared in accordance with FRS, which differ in certain respects from IFRS. As a result, Temasek's consolidated financial statements, the Issuer's financial statements and their reported earnings could be different from those which would be reported under IFRS. Such differences may be material. This Offering Circular does not contain a reconciliation of Temasek's consolidated financial statements or the Issuer's financial statements to IFRS, nor does it include any information in relation to the differences between FRS and IFRS. Had the financial statements and other financial information been prepared in accordance with IFRS, the results of operations and financial position may have been materially different. Because differences exist between FRS and IFRS, the financial information in respect of the Temasek Group and the Issuer contained in this Offering Circular may not be an effective means to compare Temasek and the Issuer with other companies that prepare their financial information in accordance with IFRS.

In making an investment decision, investors must rely upon their own examination of the Issuer, Temasek and the Temasek Group, the terms of the offering and the financial information relating to the Temasek Group and the Issuer. Potential investors should consult their own professional advisers for an understanding of these differences between FRS and IFRS, and how such differences might affect the financial information contained herein.

Temasek is an exempt private company under the Singapore Companies Act, and therefore it is not required to file its financial statements with the relevant public registry in Singapore. The financial statements of Temasek included in this Offering Circular are presented on a consolidated basis for the Temasek Group comprising the financial statements of Temasek and its subsidiaries and their interests in associates and joint ventures, and are included only for the purpose of the offering of the Notes under the Programme. Financial statements for Temasek on a non-consolidated basis are not presented in this Offering Circular and are not publicly available.

Considerations related to the Notes

Effects of redemption

If any series of Notes is redeemable at the option of the Issuer or is otherwise subject to mandatory redemption, the Notes may be redeemed at a time when prevailing interest rates are relatively low. If this happens, a Noteholder, generally, will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the redeemed Notes. For this reason, an optional or mandatory redemption feature can affect the market value of the Notes. Whether or not any series of Notes may be redeemed at the option of the Issuer will be specified in the relevant Pricing Supplement.

Selling and transfer restrictions relating to the Notes

The Notes have not been and will not be registered under the Securities Act or the securities or "blue sky" laws of any state of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of U.S. persons. The Notes may be offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. Noteholders may also not offer or sell the Notes in the United States or to, or for the account or benefit of U.S. persons. In addition, the Notes have not been registered under the securities laws of any other country. It is the

Noteholder's obligation to ensure that its offers and sales of the Notes comply with applicable securities laws and the terms of the Notes. See "Notice to purchasers and holders of Registered Notes and transfer restrictions" and any additional transfer restrictions set out in the relevant Pricing Supplement.

No existing trading market for the Notes

Each new series of Notes will constitute a new class of securities with no established market or prior trading history. While certain of the Notes issued under the Programme may be listed on the SGX-ST, there can be no assurance that a market for such Notes will be available or, if it is available, that it will provide investors with an avenue for liquidity for their investment, nor is there any assurance as to how long such Notes will be listed on the relevant stock exchange or the prices at which they may trade. In particular, the Notes could trade at prices that may be higher or lower than the initial offering price due to many factors, including prevailing interest rates, the Temasek Group's operating results, the market for similar securities and general macroeconomic and market conditions in Singapore and elsewhere. There is no assurance that Noteholders will be able to sell their Notes at a price which is attractive to them, or be able to sell their Notes at all. Consequently, a prospective Noteholder must be prepared to hold the Notes until the Maturity Date.

Notes offered under the Seasoning Framework may be seasoned for trading by Retail Investors on the Main Board of the SGX-ST after the end of the Seasoning Period. There is no assurance that the Notes will be successfully seasoned or that successful seasoning of the Notes will result in increased trading liquidity in such Notes.

Following an issuance of the Notes, a Dealer may make a market in such Notes. However, such Dealer is not obligated to do so, and any market-making activities by such Dealer with respect to such Notes may be discontinued at any time without notice.

Noteholders seeking to enforce the Guarantee will rank behind creditors of Temasek's Investment Holding Companies and portfolio companies (other than the Issuer)

The Noteholders are not creditors of Temasek's Investment Holding Companies and portfolio companies (other than the Issuer). Generally, claims of creditors, including trade creditors, and claims of preferred shareholders, if any, of such companies will have priority with respect to the assets and earnings of such companies over the claims of Temasek and its creditors, including Noteholders seeking to enforce the Guarantee (that is, the Notes and the Guarantee are structurally subordinated to all and any existing and future liabilities and obligations of such companies). The Trust Deed pursuant to which the Notes will be issued does not contain any restrictions on the ability of Temasek or its Investment Holding Companies and portfolio companies to incur indebtedness.

Risks relating to Singapore taxation

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2023 are, pursuant to the ITA and the MAS Circular FDD Cir 11/2018 entitled "Extension of Tax Concessions for Promoting the Debt Market" issued by MAS on 31 May 2018, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in "Certain Singapore tax considerations — Singapore taxation". However, there can be no assurance that such Notes will continue to enjoy the tax concessions afforded by such designation should the relevant tax laws or MAS circulars be amended or revoked at any time.

Payments on the Notes to certain non-U.S. entities that fail to meet specified requirements may be subject to withholding tax under FATCA

Pursuant to FATCA, the Issuer, and other non-U.S. financial institutions through which payments on the Notes are made, may be required to withhold tax on all, or a portion of, payments made after 31 December 2018 (or if later, the date of publication of the final U.S. Treasury Regulations defining the term "foreign passthru payment") on any Notes issued or materially modified on or after the date that is six months after final U.S. Treasury Regulations defining the term "foreign passthru payment" are filed with the United States Federal Register. The rules governing FATCA have not yet been fully developed in this regard, and the future application of FATCA to the Issuer and the Notes is uncertain. However, such withholding by the Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required, among others, where (i) the Issuer or such other non-U.S. financial institution is a foreign financial institution (an "FFI") (as defined in FATCA) that agrees to provide certain information on its account holders to the United States Internal Revenue Service (making the Issuer or such other non-U.S. financial institution a "participating FFI") and (ii)(a) the payee itself is an FFI but is not a participating FFI or does not provide information sufficient for the relevant participating FFI to determine whether the payee is subject to withholding under FATCA or (b) the payee is not a participating FFI and is not otherwise exempt from FATCA withholding. Singapore has an intergovernmental agreement ("IGA") with the United States to implement FATCA. Guidance regarding compliance with FATCA and the IGA may alter the rules described herein, including the treatment of "foreign passthru payments". Notwithstanding anything herein to the contrary, if an amount of, or in respect of, withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the Issuer nor Temasek nor any other person would, pursuant to terms of the Notes, be required to pay any additional amounts as a result of the deduction or withholding of such tax. Investors should consult their tax advisers to determine whether these rules may apply to payments they will receive under the Notes.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR and EURIBOR) are the subject of recent guidance and proposals for reform from the European Union (the "EU") national and international regulatory bodies. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation") was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things: (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed); and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmark Regulation could have a material impact on any Notes linked to or referencing benchmarks, including LIBOR or EURIBOR, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks" (including LIBOR or EURIBOR): (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark".

Any of the above changes or any other consequential changes as a result of national or international reforms or other initiatives or investigations could have a material adverse effect on the value of and return on any Notes linked to or referencing the relevant benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to any Notes linked to or referencing the relevant benchmark.

Future discontinuance of LIBOR may adversely affect the value of floating rate notes which reference LIBOR

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on floating rate Notes which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR rate is to be determined under the terms of the applicable Notes, this may: (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time; or (ii) if Screen Rate Determination applies, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any floating rate Notes which reference LIBOR.

The market value of the Notes may fluctuate

The trading price of the Notes may be influenced by numerous factors, including the market for similar securities, the operating results and/or financial condition of the Temasek Group and political, economic, financial and any other factors that can affect the capital markets, the industry sectors that Temasek's investment portfolio has exposure to and the Temasek Group generally. Adverse economic developments in Singapore as well as countries in which the Temasek Group operates or has business dealings could have a material adverse effect on the operating results and/or financial condition of the Temasek Group and the market value of the Notes. As a result, the market price of the Notes may be above or below their issue price.

The Trustee shall not be obliged to take any action on behalf of Noteholders if not indemnified and/or secured to its satisfaction

In certain circumstances (pursuant to Condition 9 (*Events of Default*) of the Notes), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured to its satisfaction. Negotiating and agreeing to an indemnity and/or security can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity or security to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the Trust Deed, the Terms and Conditions of the Notes and applicable law, it will be for the Noteholders to take such action directly.

The Terms and Conditions of the Notes and the provisions of the Trust Deed may be modified

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Trust Deed and the Terms and Conditions of the Notes also provide that the Trustee may agree, without the consent of the Noteholders or Couponholders, to (a) any modification of any provisions of the Trust Deed which is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error or is to comply with mandatory provisions of Singapore law or is required by the SGX-ST and/or CDP and/or Euroclear and/or Clearstream for or in connection with the listing and trading of the Notes and (b) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on all Noteholders and Couponholders.

An investment in the Notes is subject to inflation risk

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

An investment in the Notes is subject to interest rate risk

Noteholders may suffer unforeseen losses (both realised and unrealised) due to fluctuations in interest rates. In particular, fixed rate Notes may see their price fluctuate due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Notes. The market value of the Notes may be similarly affected which may result in a capital loss for Noteholders. Conversely, when interest rates fall, the prices of the Notes and the prices at which the Notes trade may rise. Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

There is no assurance that the Issuer and/or the Guarantor will have sufficient cash flow to meet payment obligations under the Notes

There is no assurance that the Issuer and/or the Guarantor will have sufficient cash flow to meet payment obligations under the Notes as and when they fall due, in the event the Issuer and/or the Guarantor suffers a material deterioration in its financial condition. In such event, the ability of the Issuer and/or the Guarantor to comply with its payment obligations under the Trust Deed and the Notes may be adversely affected.

The performance of contractual obligations by the Issuer and/or the Guarantor is dependent on other parties

The ability of the Issuer and/or the Guarantor to make payments in respect of the Notes may depend upon the due performance by the other parties to the Trust Deed and the Agency Agreement of their obligations thereunder, including the performance by the Trustee, the Registrar and/or the Issuing and Paying Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer and/or the Guarantor of their obligations to make payments in respect of the Notes, the Issuer and/or the Guarantor may not, in such circumstances, be able to fulfil their obligations to the Noteholders.

Consequences of non-availability of Definitive Certificates or Definitive Notes in respect of Notes cleared through CDP

The Notes will be in the form of a Global Certificate or Global Note, as the case may be, and no Definitive Certificates or Definitive Notes will be issued under any circumstances unless CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or CDP has announced an intention permanently to cease business and no alternative clearing system is available or CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the relevant Depository Services Agreement as amended, varied or supplemented from time to time and no alternative clearing system in available or an event of default, enforcement event or analogous event entitling a securities account holder or the Trustee to declare the Notes to be due and payable as provided in the Terms and Conditions of the Notes has occurred and is continuing.

Prospective investors who wish to apply for the public offer tranche of Straight Notes and Post-Seasoning Notes must have a direct Securities Account with CDP or a securities sub-account and/or investment account with a Depository Agent. For the purpose of the initial allocation of such Notes, investors under the public offer tranche must already have, or must open, a direct Securities Account with CDP or a securities sub-account and/or investment account with a Depository Agent. An investor's ability to pledge his interest in the Notes to any person or otherwise take action in respect of his interest may be affected by the lack of any Definitive Certificates or Definitive Notes, as the case may be.

The standard terms and conditions of the securities sub-account and/or investment account of a Depository Agent may permit it to take a security interest in, or to impose other restrictions on, the Notes credited to the account or to exercise a lien, right of set-off or similar claim against investors in respect of moneys held in any of an investor's accounts maintained with it to secure any amounts which may be owing by such investor to it.

For so long as any of the Notes is represented by (i) a Global Note and such Global Note is held by CDP or (ii) a Global Certificate and such Global Certificate is issued in the name of CDP, (a) notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and (b) notices to the holders of Bearer Notes shall be published in a daily newspaper of general circulation in Singapore (which is expected to be the *Business Times*) or so long as the Notes are listed on the SGX-ST, published on the website of the SGX-ST. Where the Notes are held by an investor in a securities sub-account and/or investment account with a Depository Agent, for notices under (a) above, such investor will have to rely on his Depository Agent to distribute notices to him. The Issuer, the Guarantor, the Arranger, the Dealers and the Trustee accept no responsibility for any failure or delay on the part of the Depository Agents in doing so or in respect of the performance of the contractual duties of any Depository Agent to investors.

For so long as any of the Notes is represented by (i) a Global Note and such Global Note is held by CDP or (ii) a Global Certificate and such Global Certificate is issued in the name of CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by CDP as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the Paying Agent, the Registrar, the Trustee and all other agents of the Issuer, the Guarantor and the Trustee as the holder of such principal amount of Notes standing to the account of such person for all purposes other than with respect to the payment of principal, premium (if any), interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, the right to which shall be vested, as against the Issuer, solely in the registered holder of the Global Certificate or the bearer of the Global Note, as the case may be. Notes which are represented by the Global Certificate or Global Note, as the case may be, will be exchangeable or transferable only in accordance with the rules and procedures for the time being of CDP. Where the Notes are held by an investor in his direct Securities Account with CDP, payments from the Issuer in respect of the Notes will be credited through CDP. Where the Notes are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with payments. The Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Registrar, the Issuing and Paying Agent, the Paying Agent and any other agent accept no responsibility for any failure or delay on the part of the Depository Agents in doing so or in respect of the performance of the contractual duties of any Depository Agent to investors.

Holders of beneficial interests in a Global Certificate or Global Note will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled to appoint appropriate proxies. Similarly, holders of beneficial interests in a Global Certificate or Global Note will not have a direct right under the Global Certificate or Global Note to take enforcement action against the Issuer or the Guarantor except in certain limited circumstances in respect of the relevant Notes and will have to rely on their rights under the Trust Deed.

Use of proceeds

The net proceeds arising from the issuances of Notes under the Programme (after deduction of underwriting fees, discounts and commissions and other expenses incurred by the Issuer associated with the Programme) will be provided by the Issuer to Temasek and its Investment Holding Companies to fund their ordinary course of business, unless otherwise disclosed in the relevant Pricing Supplement.

Capitalisation

The following table sets forth the Temasek Group's capitalisation as at 31 March 2018. The information has been extracted from the consolidated financial statements of Temasek as at 31 March 2018. The information on the Issuer's capitalisation as at 31 March 2018 is set out in "The Issuer — Capitalisation".

	As at 31 March 2018
	(S$ million)
Long term debt	
Total long term debt	80,418
Total equity	
Equity attributable to equity holder of Temasek	272,688
Non-controlling interests	47,514
Total equity	320,202
Capitalisation	400,620

Selected financial and other data

The following tables set forth selected financial data for the Temasek Group as at and for the years ended 31 March 2016, 2017 and 2018. The selected financial data for the Temasek Group as at and for the years ended 31 March 2016, 2017 and 2018 should be read in conjunction with the consolidated financial statements of Temasek, and the related notes thereto, which are included elsewhere in this Offering Circular. The selected financial information for the Issuer as at and for the years ended 31 March 2017 and 2018 is set out in "The Issuer — Selected financial data for the Issuer".

The consolidated financial statements of Temasek and the financial statements of the Issuer have been prepared in accordance with FRS. Had the financial statements and other financial information been prepared in accordance with IFRS, the results of operations and financial position may have been materially different. See "Risk factors — Considerations related to the Issuer and Temasek — The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries".

Selected financial data for the Temasek Group

Selected income statement data

	Year ended 31 March		
	2016	**2017**	**2018**
		(S$ million)	
Revenue	101,501	97,057	107,131
Cost of sales	(73,251)	(68,621)	(74,962)
Gross profit	28,250	28,436	32,169
Other income	10,963	10,010	13,265
Selling and distribution expenses	(4,411)	(3,721)	(3,745)
Administrative expenses	(8,025)	(8,416)	(8,632)
Finance expenses	(2,725)	(2,806)	(3,154)
Other expenses	(15,994)	(8,898)	(9,467)
Share of profit of associates, net of tax	4,433	3,258	6,779
Share of profit of joint ventures, net of tax	2,240	2,456	2,321
Profit before tax	14,731	20,319	29,536
Tax expense	(2,094)	(2,589)	(2,691)
Profit for the year	12,637	17,730	26,845
Attributable to:			
Equity holder of Temasek	8,425	14,193	21,338
Non-controlling interests	4,212	3,537	5,507
Profit for the year	12,637	17,730	26,845

Selected statement of comprehensive income data

	Year ended 31 March		
	2016	2017	2018
	(S$ million)		
Profit for the year	12,637	17,730	26,845
Other comprehensive income			
Net change in fair value of available-for-sale financial assets, net of tax	(15,107)	11,927	20,164
Others, net(1)	4,133	(1,373)	(7,983)
Total comprehensive income for the year	1,663	28,284	39,026
Attributable to:			
Equity holder of Temasek	(2,174)	24,224	34,091
Non-controlling interests	3,837	4,060	4,935
Total comprehensive income for the year	1,663	28,284	39,026

Note:

(1) Comprises translation differences; share of associates' and joint ventures' reserves; net change in fair value of available-for-sale financial assets reclassified to income statement, net of tax; cash flow hedges, net of tax; disposal of investments in subsidiaries, with loss of control; disposal or dilution of investments in associates and joint ventures; and others, net.

Selected balance sheet data

	As at 31 March		
	2016	2017	2018
		(S$ million)	
Non-current assets			
Property, plant and equipment	69,856	70,769	75,173
Intangible assets	20,569	22,636	27,935
Biological assets	1,387	451	472
Associates	60,601	62,084	61,913
Joint ventures	19,498	21,410	22,854
Financial assets	87,446	97,337	130,968
Derivative financial instruments	983	955	1,013
Investment properties	36,322	40,027	46,287
Deferred tax assets	1,382	1,397	1,030
Other non-current assets	13,075	12,842	11,654
	311,119	329,908	379,299
Current assets	104,708	117,692	112,202
Total assets	415,827	447,600	491,501
Equity attributable to equity holder of Temasek			
Share capital	54,369	56,671	59,907
Other reserves	14,246	13,669	14,093
Fair value reserve	19,928	28,205	44,673
Hedging reserve	(731)	(244)	162
Currency translation reserve	(4,374)	(3,181)	(7,282)
Accumulated profits	134,714	143,756	161,135
	218,152	238,876	272,688
Non-controlling interests	40,561	43,125	47,514
Total equity	258,713	282,001	320,202
Non-current liabilities			
Borrowings	68,929	73,385	80,418
Derivative financial instruments	1,173	1,118	1,206
Provisions	1,069	1,053	988
Deferred income and liabilities	2,846	2,852	2,070
Deferred tax liabilities	5,538	6,174	6,760
Other non-current liabilities	4,393	4,575	5,315
	83,948	89,157	96,757
Current liabilities	73,166	76,442	74,542
Total liabilities	157,114	165,599	171,299
Total equity and liabilities	415,827	447,600	491,501

Selected cash flow statement data

	Year ended 31 March		
	2016	2017	2018
		(S$ million)	
Profit before tax	14,731	20,319	29,536
Cash flows from operating activities	11,163	14,016	14,786
Cash flows used in investing activities	(14,670)	(7,235)	(22,957)
Cash flows from financing activities	2,373	2,683	2,515
Net (decrease)/increase in cash and cash equivalents	(1,134)	9,464	(5,656)
Cash and cash equivalents at the beginning of the year	43,747	42,613	52,077
Cash and cash equivalents at the end of the year	42,613	52,077	46,421

Other financial data

	As at and for the year ended 31 March		
	2016	2017	2018
EBITDA[(1)] (million)	S$25,093	S$30,947	S$40,320
EBITDA interest coverage[(2)]	9.2	11.0	12.8
Net debt[(3)] (million)	S$44,411	S$39,255	S$49,663
Net debt/EBITDA[(4)]	1.8	1.3	1.2
Net debt/capital[(5)] (%)	14.7	12.2	13.4

Notes:

(1) EBITDA is not determined in accordance with FRS as FRS does not prescribe the computation methodology of EBITDA. EBITDA of the Temasek Group is defined as profit before tax, finance expenses, depreciation, amortisation and impairment loss on property, plant and equipment and intangible assets. EBITDA of the Temasek Group may not be comparable to that of other companies that may determine EBITDA differently. EBITDA of the Temasek Group is presented as an additional measure because management believes that some investors find it to be a useful tool for measuring the Temasek Group's ability to fund capital expenditures or to service debt obligations. It should not be considered in isolation or as an alternative to net profit as an indicator of operating performance or as an alternative to cash flows as a measure of liquidity.

Reconciliation of profit before tax to EBITDA:

	Year ended 31 March		
	2016	2017	2018
		(S$ million)	
Profit before tax	14,731	20,319	29,536
Add: Depreciation/impairment loss on property, plant and equipment	6,750	6,893	6,769
Add: Amortisation/impairment loss on intangible assets	887	929	861
Add: Finance expenses	2,725	2,806	3,154
EBITDA	25,093	30,947	40,320

(2) EBITDA interest coverage is calculated by dividing EBITDA by finance expenses.

(3) Net debt is not determined in accordance with FRS as FRS does not prescribe the computation methodology of net debt. Net debt of the Temasek Group is computed by subtracting cash and cash equivalents (excluding bank overdrafts) from total debt. Net debt of the Temasek Group may not be comparable to that of other companies that may determine net debt differently. Net debt of the Temasek Group is presented as an additional measure because management believes that some investors find it to be a useful tool for assessing the Temasek Group's net debt position. It should not be considered in isolation or as an alternative to total debt as a measure of the Temasek Group's total debt obligations.

Reconciliation of total debt to net debt:

	As at 31 March		
	2016	2017	2018
		(S$ million)	
Total debt*	87,246	91,555	96,219
Less: Cash and cash equivalents (excluding bank overdrafts)	(42,835)	(52,300)	(46,556)
Net debt	44,411	39,255	49,663

* See Note 28 of Temasek's consolidated financial statements which are included elsewhere in this Offering Circular. This figure includes bank overdrafts.

(4) Net debt/EBITDA is calculated by dividing net debt by EBITDA.

(5) Net debt/capital is calculated by dividing net debt by the sum of net debt and total equity expressed as a percentage.

Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis should be read in conjunction with the consolidated financial statements of Temasek and the related notes thereto for the years ended 31 March 2016, 2017 and 2018, which are included elsewhere in this Offering Circular.

The consolidated financial statements of Temasek and the financial statements of the Issuer have been prepared in accordance with FRS, which differ in certain respects from IFRS. Such differences may be material. See "Risk factors — Considerations related to the Issuer and Temasek — The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries". Temasek is an exempt private company under the Singapore Companies Act and therefore it is not required to file its financial statements with the relevant public registry in Singapore. Temasek's consolidated financial statements are presented only for the purpose of the issue of the Notes.

As the Temasek Group's results of operations may be materially affected by conditions in the global capital markets and the economy generally, Temasek has taken note of prevailing macro-economic and market conditions in major economies as described in "— Significant factors affecting the Temasek Group's financial condition and results of operations — Global market and economic conditions" and "Risk factors — Considerations related to the Issuer and Temasek — Temasek and its portfolio companies are subject to macroeconomic, strategic, financial, operational and political risks". For the avoidance of doubt, Temasek is an investment company and its portfolio companies are guided and managed by their respective boards and management. Temasek does not direct their business decisions or operations. Accordingly, Temasek does not have the necessary information that would put it in a position to provide disclosure on any current, future or past trends, uncertainties, demands, commitments or events which may have a material effect on the net sales or revenues, profitability, liquidity or capital resources of any such portfolio company or the extent to which such portfolio company's performance may affect the Temasek Group as a whole in either this Offering Circular or the relevant Product Highlights Sheet (if any). Consequently, the financial information disclosed in this Offering Circular or the relevant Product Highlights Sheet (if any) is not necessarily indicative of the future operating results or financial condition of any such portfolio company or the extent to which such portfolio company's performance may affect the Temasek Group as a whole.

Overview

The Temasek Group had total assets of S$492 billion as at 31 March 2018. The Temasek Group generated revenue of S$107 billion and profit attributable to equity holder of Temasek of S$21 billion for the year ended 31 March 2018.

Significant factors affecting the Temasek Group's financial condition and results of operations

Global market and economic conditions

The Temasek Group's results of operations are materially affected by conditions in the global capital markets and the economy generally, in addition to regions where Temasek has direct exposure. Macroeconomic and market conditions in major economies, such as the U.S., Europe and China, will likely have significant bearing on global monetary conditions, investors' confidence and risk appetite, as well as underlying growth prospects and global asset prices.

2017 was a strong year for global growth and markets. Looking forward, while Temasek is constructive in its outlook on the global economy in the near term, the pace of global economic expansion is subject to several risks that could negatively impact Temasek's performance. These include trade tensions and geopolitical risks. Market valuations remain high and selected developed economies are closer to the late-stage of the current economic expansion cycle. There is less fiscal and monetary policy space for policymakers in developed economies to respond to the next slowdown as compared to the last global shock. This could potentially result in more prolonged recessions, should the global economy experience negative growth shock. In addition to risks to growth in developed markets, volatility in China's growth or downside risks such as a credit crunch could have a considerable knock-on impact on regional economies and commodity prices. The current environment presents significant policy uncertainty, especially in global trade and geopolitical tensions. Trade friction has started to arise between the largest trading partners in the world. Growth and financial performance in emerging markets, Asia and trade-exposed economies such as Singapore are particularly vulnerable to disruptions to global trade flows, capital flows, business investments and global supply chains in the event of escalation in trade tensions. Geopolitics also continues to be an area of concern, including ongoing threats of terrorism and instability in the Middle East. These developments have had and may continue to have a material adverse effect on global economic conditions across all markets and significantly reduce liquidity and stability of global financial markets.

Downside risks and volatility in the global financial markets have had, and could in the future have, a significant impact on the value of Temasek's portfolio, the value and profitability of Temasek's portfolio companies' businesses and, in turn, the Temasek Group's revenue and profitability. In addition, these conditions have had, and could in the future have, a significant impact on the ability of Temasek's portfolio companies to pay dividends or make other distributions or payments to Temasek, or may result in its investment selections not generating the expected returns.

There can be no assurance of how long these current economic conditions will continue, whether they will deteriorate further, and which of Temasek's portfolio companies' businesses may be adversely affected. Temasek's investment portfolio has some concentrated exposure to a few industry sectors and geographic regions. See "Business of Temasek — Risk management — Strategic and Performance Risk".

Temasek's investments are typically denominated in the local currency of the countries in which the investments are made. Accordingly, Temasek's returns on these investments, including any dividends received from these investments, are subject to foreign exchange rate risks. Furthermore, fluctuations between these currencies and the Singapore dollar, Temasek's reporting currency, expose Temasek to translation risk when accounting for these investments in its financial statements.

Temasek annually reviews its investment portfolio to determine if any impairment in the value of its investment securities is required. If Temasek determines that the value of the investment securities is impaired, Temasek would record an impairment loss in its consolidated income statement, which could materially adversely impact Temasek's consolidated results of operations. Temasek's consolidated shareholder's equity would also be adversely impacted due to the decline in the value of its investment securities.

Factors such as consumer spending, business investment, government spending, the volatility and strength of the capital markets and inflation all affect the business and economic environment and, ultimately, the value and profitability of Temasek's portfolio companies' businesses. Negative trends in these factors could lead to declines in the Temasek Group's revenue and profit. In the event of extreme prolonged market events, such as the global financial crisis, the Temasek Group could incur significant losses.

The Singapore economy

Singapore has an export-oriented economy and is a regional business and financial centre with GDP of S$447.3 billion at current market prices for the 12 months ended 31 December 2017, which is equivalent to GDP per capita of S$84,336 at current market prices. The following table shows the annual rates of growth in Singapore's GDP from 2008 to 2017 based on 2010 market prices.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Singapore GDP growth (%)	1.8	(0.6)	15.2	6.4	4.1	5.1	3.9	2.2	2.4	3.6

Source: Singapore Department of Statistics

Singapore's economic growth in 2017 expanded strongly by 3.6%. All sectors of the economy expanded with the exception of construction, with manufacturing and financial services contributing most to overall GDP.

According to the Ministry of Trade and Industry ("MTI") Singapore's release of its Economic Survey of Singapore for the First Quarter 2018, the manufacturing sector expanded across all clusters, with electronics and precision engineering contributing most. The construction sector contracted in the first quarter 2018 compared to the first quarter 2017, but rebounded in the first quarter 2018 compared to the fourth quarter 2017. Services improved in the first quarter 2018 compared to the first quarter 2017 across all sectors, but contracted compared to the fourth quarter 2017. Driven primarily by the continued improvement in the global economy that is expected to support Singapore's trade-related sectors, the economy is expected to expand by 1.5% to 3.5% in 2018.

Investments and divestments by Temasek

Temasek and/or its subsidiaries may invest and/or divest their interests in a range of companies from time to time. Temasek may invest directly or co-invest with partners. These investments may take the form of majority or minority stakes or joint ventures. Investments and divestments by Temasek and/or its subsidiaries may affect the comparability of the Temasek Group's historical results of operations between periods, and future investments or divestments by Temasek and/or its subsidiaries may affect the Temasek Group's financial condition and results of operations and the comparability of historical results of operations with future periods.

Basis of preparation of Temasek's consolidated financial statements

Basis of preparation

Temasek's consolidated financial statements for the years ended 31 March 2016, 2017 and 2018 have been prepared in accordance with FRS.

Temasek's consolidated financial statements include the financial data of Temasek and its subsidiaries as at and for the years ended 31 March 2016, 2017 and 2018, except for companies that have different financial year ends, which have been consolidated on the basis of their audited financial statements for the years ended 31 December 2015, 2016 and 2017, respectively. The approximate effect of consolidating such companies on the basis of their unaudited financial statements as at and for the financial years ended 31 March in each of 2016, 2017 and 2018 has been included in Note 2.4 of the consolidated financial statements of Temasek, which are included elsewhere in this Offering Circular.

For a further discussion of the individual accounting policies of Temasek and its subsidiaries, see Note 3 "Significant accounting policies" of the consolidated financial statements of Temasek, which are included elsewhere in this Offering Circular.

In the consolidated financial statements of Temasek for the years ended 31 March 2016, 2017 and 2018, the Temasek Group adopted the new and amended FRS and Interpretations of FRS ("INT FRS") that were mandatory for application by the Temasek Group from 1 April 2017. Consequently, the consolidated financial statements for the years ended 31 March 2016, 2017 and 2018 have been prepared in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

Critical estimates and judgements

Preparation of financial statements requires the Temasek Group to make estimates and judgements. These estimates and judgements are more fully described in Note 4 "Critical accounting estimates, assumptions and judgements" of the consolidated financial statements of Temasek, which are included elsewhere in this Offering Circular.

Overview of results of operations

Both for internal management review and for the purposes of this discussion, the Temasek Group aggregates certain income statement line items under net expenses and share of profit of associates and joint ventures, net of tax, as described below. Management believes this classification enables a more meaningful analysis of the Temasek Group's expenses, equity-accounted interests and overall results of operations.

The following table sets forth selected income statement data for the Temasek Group for the years indicated:

	Year ended 31 March		
	2016	**2017**	**2018**
	(S$ million)		
Revenue	101,501	97,057	107,131
Net expenses	(93,443)	(82,452)	(86,695)
Share of profit of associates and joint ventures, net of tax	6,673	5,714	9,100
Profit before tax	14,731	20,319	29,536
Tax expense	(2,094)	(2,589)	(2,691)
Profit for the year	12,637	17,730	26,845
Attributable to:			
Equity holder of Temasek	8,425	14,193	21,338
Non-controlling interests	4,212	3,537	5,507
Profit for the year	12,637	17,730	26,845

Certain information in the following sections with respect to Temasek's key portfolio companies is based on such companies' audited financial statements. At the Temasek Group level, in connection with the preparation of Temasek's consolidated financial statements, Temasek may make certain consolidation adjustments, including but not limited to elimination of inter-company transactions and to reflect consistent application of accounting policies. As a result, some of the figures presented below may differ from the amounts accounted for in the consolidated financial statements of Temasek.

Revenue

Revenue consists of revenue of Temasek and its subsidiaries. The following table sets forth the key subsidiary contributors to the Temasek Group's revenue as set forth in their respective financial statements for one or more of the years indicated:

	Year ended 31 March		
	2016	**2017**	**2018**
	(S$ million)		
Olam International Limited	19,053	20,587	26,273
Singapore Telecommunications Limited	16,961	16,711	17,532
Singapore Airlines Limited	15,239	14,869(1)	15,802(1)
Sembcorp Industries Ltd	9,545	7,907	8,346
Singapore Technologies Engineering Ltd	6,335	6,684	6,619
Singapore Power Limited	3,964	3,722	4,068
PSA International Pte Ltd	3,573	3,680(2)	3,968(2)
Singapore Technologies Telemedia Pte Ltd	3,310	3,347	3,800

Notes:

(1) On 1 October 2016, SIA early adopted FRS 109 *Financial Instruments*, which is effective for annual periods beginning on or after 1 January 2018. As Temasek has not early adopted FRS 109 *Financial Instruments*, which replaces FRS 39 *Financial Instruments: Recognition and Measurement*, SIA's revenue is presented in accordance with FRS 39 *Financial Instruments: Recognition and Measurement.*

(2) Revenue excludes service concession revenue.

Net expenses

Net expenses comprise cost of sales, selling and distribution expenses, administrative expenses, finance expenses and other expenses, net of other income of Temasek and its subsidiaries.

Profit before tax

Profit before tax is derived primarily from gains and losses from divestments and contributions from subsidiaries, associates and joint ventures.

The following table sets forth the key subsidiary contributors to the Temasek Group's profit before tax as set forth in their respective financial statements for one or more of the years indicated. In cases where classification of expenses differs from the Temasek Group, adjustments have been made to conform to the Temasek Group's classification.

	Year ended 31 March		
	2016	**2017**	**2018**
	(S$ million)		
Singapore Telecommunications Limited	4,581	4,515	6,132
Mapletree Investments Pte Ltd	1,896	2,367	3,489
PSA International Pte Ltd	1,535	1,443	1,528
Singapore Technologies Telemedia Pte Ltd	1,008	300	1,429
Singapore Power Limited	1,092	1,132	1,219
Singapore Airlines Limited	972	376(1)	1,193(1)
Olam International Ltd	40(2)	252(3)	631(3)
Singapore Technologies Engineering Ltd	630	591	623
PT Bank Danamon Indonesia Tbk	335(4)	456(4)	550(4)
Ascendas-Singbridge Pte Ltd	510(5)	391	518

Notes:

(1) On 1 October 2016, SIA early adopted FRS 109 *Financial Instruments*, which is effective for annual periods beginning on or after 1 January 2018. As Temasek has not early adopted FRS 109 *Financial Instruments*, which

replaces FRS 39 *Financial Instruments: Recognition and Measurement*, SIA's profit before tax is presented in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*.

(2) Olam adopted the Amendments to FRS 16 *Property, Plant and Equipment* and FRS 41 *Agriculture* in the year ended 31 March 2017, which require Olam to restate their profit before income tax for prior comparative periods. Temasek has not reflected the restated amounts in its consolidated financial statements as the restated amounts did not have significant impact to Temasek's consolidated financial statements. The previously reported amount for the year ended 31 March 2016 is presented above.

(3) On 1 January 2016, Olam early adopted FRS 109 *Financial Instruments*, which is effective for annual periods beginning on or after 1 January 2018. As Temasek has not early adopted FRS 109 *Financial Instruments*, which replaces FRS 39 *Financial Instruments: Recognition and Measurement*, Olam's profit before tax is presented in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*.

(4) For Danamon, the amounts presented are based on Danamon's audited financial statements which are prepared in accordance with Indonesia Financial Accounting Standards and have been converted into Singapore dollars using average rates of Rp. 9,796.1, Rp. 9,637.18 and Rp. 9,754.75 per S$1.00, respectively.

(5) ASB has been consolidated by Temasek in its consolidated financial statements as a subsidiary since the merger of Ascendas Pte Ltd and Singbridge Pte Ltd on 10 June 2015.

Profit before tax includes Temasek's and its subsidiaries' share of profit of associates and joint ventures, net of tax, including A.S. Watson, CapitaLand and DBS.

Tax expense

Tax expense comprises current taxation, deferred taxation and adjustments for prior periods. The Singapore corporate tax rate was 17% for each of the years ended 31 March 2016, 2017 and 2018.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests consist of third party non-controlling interests' proportionate share of the results of operations of Temasek's subsidiaries that are not wholly-owned.

Comparison of results of operations for the year ended 31 March 2018 with the year ended 31 March 2017

Revenue

Revenue increased by S$10,074 million, or 10.4%, from S$97,057 million for the year ended 31 March 2017 to S$107,131 million for the year ended 31 March 2018. The increase in revenue was principally due to:

- an increase in revenue from Olam mainly due to an increase in overall volumes led by enhanced trading volumes in grains and edible oils and a change in product mix, which were partly offset by lower commodity prices;
- an increase in revenue from SIA mainly due to an improvement in passenger traffic growth and higher freight carriage and yield;
- an increase in revenue from Mapletree mainly due to higher leasing revenue and contributions from newly acquired properties; and
- an increase in revenue from Singtel mainly due to higher mobile and fixed broadband customers in Australia and contribution from its digital businesses.

The increase in revenue was partially offset by a decrease in revenue from NOL as it ceased to be consolidated as a subsidiary following its divestment in June 2016.

Profit before tax

Profit before tax increased by S$9,217 million, or 45.4%, from S$20,319 million for the year ended 31 March 2017 to S$29,536 million for the year ended 31 March 2018. The increase in profit before tax was principally due to:

- an increase in profit from Singtel mainly due to a one-time gain on disposal of NetLink Trust and strong performance from its core business;
- share of profits from Broadpeak Fund II L.P. and Indigo Pacific Partners L.P. mainly due to higher valuation of certain of their underlying investments;
- an increase in profit from ST Telemedia mainly due to a one-time gain on disposal of Level 3 Communications, Inc.; and

- an increase in profit from Mapletree mainly due to higher leasing revenue, revaluation gains on properties and contributions from newly acquired properties.

Profit from Temasek also increased for the year ended 31 March 2018 mainly due to higher dividend income and lower provision for impairment on investments. In connection with the preparation of Temasek's consolidated financial statements, Temasek makes certain consolidation adjustments, including but not limited to elimination of inter-company transactions such as dividend income from subsidiaries, associates and joint ventures. Post consolidation adjustments, profit contribution from Temasek was lower for the year ended 31 March 2018 as compared to the previous year.

Tax expense

Tax expense increased by S$102 million, or 3.9%, from S$2,589 million for the year ended 31 March 2017 to S$2,691 million for the year ended 31 March 2018, primarily reflecting the increase in profit before tax for the year ended 31 March 2018.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests increased by S$1,970 million, or 55.7%, from S$3,537 million for the year ended 31 March 2017 to S$5,507 million for the year ended 31 March 2018.

Profit attributable to the equity holder of Temasek

As a result of the foregoing factors, profit attributable to the equity holder of Temasek increased by S$7,145 million, or 50.3%, from S$14,193 million for the year ended 31 March 2017 to S$21,338 million for the year ended 31 March 2018.

Comparison of results of operations for the year ended 31 March 2017 with the year ended 31 March 2016

Revenue

Revenue decreased by S$4,444 million, or 4.4%, from S$101,501 million for the year ended 31 March 2016 to S$97,057 million for the year ended 31 March 2017. The decrease in revenue was principally due to:

- a decrease in revenue from NOL as it ceased to be consolidated as a subsidiary following its divestment in June 2016; and
- a decrease in revenue from Sembcorp mainly due to lower revenue from its marine business due to lower revenue from rig building projects, and from its utilities business due to lower oil-indexed gas prices, which was partially offset by higher turnover from India.

The decrease in revenue was partially offset by a net increase in revenue from Olam.

Profit before tax

Profit before tax increased by S$5,588 million, or 37.9%, from S$14,731 million for the year ended 31 March 2016 to S$20,319 million for the year ended 31 March 2017. The increase in profit before tax was principally due to:

- an increase in profit from Temasek mainly due to lower provision for impairment on investments and unrealised gains on short-term investments. In connection with the preparation of Temasek's consolidated financial statements, Temasek makes certain consolidation adjustments, including but not limited to elimination of inter-company transactions such as dividend income from subsidiaries, associates and joint ventures. Post consolidation adjustments, profit contribution from Temasek was higher for the year ended 31 March 2017 as compared to the previous year; and
- an increase in profit from Lan Ting Holdings Pte. Ltd. mainly due to a reversal of impairment loss on its assets for the year ended 31 March 2017 as compared to impairment loss recognised on its assets in the year ended 31 March 2016.

The increase in profit before tax was partially offset by:

- a decrease in profit from NOL mainly due to a one-time gain from divestment of its logistics business unit in the year ended 31 March 2016 and no such gain occurring in the year ended 31 March 2017; and
- a share of losses from Indigo Pacific Partners L.P. mainly due to lower valuation of certain of its underlying investments.

Tax expense

Tax expense increased by S$495 million, or 23.6%, from S$2,094 million for the year ended 31 March 2016 to S$2,589 million for the year ended 31 March 2017, primarily reflecting the increase in profit before tax for the year ended 31 March 2017.

Profit attributable to non-controlling interests

Profit attributable to non-controlling interests decreased by S$675 million, or 16.0%, from S$4,212 million for the year ended 31 March 2016 to S$3,537 million for the year ended 31 March 2017.

Profit attributable to the equity holder of Temasek

As a result of the foregoing factors, profit attributable to the equity holder of Temasek increased by S$5,768 million, or 68.5%, from S$8,425 million for the year ended 31 March 2016 to S$14,193 million for the year ended 31 March 2017.

Liquidity and capital resources

Overview

The Temasek Group's primary sources of liquidity and capital resources have been cash from operations, supplemented by proceeds from borrowings and capital market issuances (including debt and equity issuances) by Temasek and its subsidiaries. Temasek has occasionally received capital injections from its shareholder. The ability of Temasek's portfolio companies to pay dividends and other distributions and, to the extent that Temasek relies on dividends and distributions to meet its obligations, the ability of Temasek to make payments on such obligations, are subject to applicable laws and regulations in various countries and to restrictions (contractual or otherwise) on the payment of dividends and distributions contained in relevant financing or other agreements of such companies. See "Risk factors — Considerations related to the Issuer and Temasek — Temasek is an investment company and is substantially dependent on the payment of dividends and distributions by its portfolio companies, and cash receipts from disposals of its investments in its portfolio companies" and "— Temasek and its portfolio companies are subject to macroeconomic, strategic, financial, operational and political risks". Temasek has declared dividends annually to its shareholder for each of its financial years ended 31 March 2016, 2017 and 2018.

See also "Business of Temasek — Liquidity".

Liquidity

The following table sets forth certain information about the Temasek Group's cash flows for the years indicated:

Consolidated cash flow statement data

	Year ended 31 March		
	2016	**2017**	**2018**
		(S$ million)	
Profit before tax	14,731	20,319	29,536
Cash flows from operating activities	11,163	14,016	14,786
Cash flows used in investing activities	(14,670)	(7,235)	(22,957)
Cash flows from financing activities	2,373	2,683	2,515
Net (decrease)/increase in cash and cash equivalents	(1,134)	9,464	(5,656)
Cash and cash equivalents at the beginning of the year	43,747	42,613	52,077
Cash and cash equivalents at the end of the year	42,613	52,077	46,421

Year ended 31 March 2018

Cash flows from operating activities for the year ended 31 March 2018 totalled S$14,786 million. Tax paid for the year ended 31 March 2018 reduced cash flows generated from operating activities by S$2,225 million.

Cash flows used in investing activities for the year ended 31 March 2018 totalled S$22,957 million, of which the principal outflows were payments for purchases of property, plant and equipment of S$12,606 million, primarily by SIA, Singtel, Singapore Power, Olam, Sembcorp and PSA, payments for purchases of financial assets and derivative financial instruments (net) of S$8,477 million and payments for purchases of investment properties and properties under development (net) of S$4,809 million. These cash outflows were partially offset by dividends received from associates and joint ventures of S$3,809 million.

Cash flows from financing activities for the year ended 31 March 2018 totalled S$2,515 million, of which the principal inflows resulted from net proceeds from borrowings of S$6,304 million and proceeds from the issuance of new shares of S$3,236 million. These cash inflows were partially offset by interest payments totalling S$3,060 million and payments of dividends to the equity holder of Temasek and non-controlling interests of subsidiaries of S$6,378 million.

Cash and cash equivalents decreased by S$5,656 million from S$52,077 million as at 31 March 2017 to S$46,421 million as at 31 March 2018.

Year ended 31 March 2017

Cash flows from operating activities for the year ended 31 March 2017 totalled S$14,016 million. Tax paid for the year ended 31 March 2017 reduced cash flows generated from operating activities by S$2,448 million.

Cash flows used in investing activities for the year ended 31 March 2017 totalled S$7,235 million, of which the principal outflows were payments for purchases of property, plant and equipment of S$12,156 million, primarily by SIA, Singtel, Singapore Power, PSA and Sembcorp, payments for acquisitions of subsidiaries and businesses (net of cash acquired) of S$2,575 million and payments for purchases of investment properties and properties under development (net) of S$2,211 million. These cash outflows were partially offset by dividends received from associates and joint ventures of S$4,067 million.

Cash flows from financing activities for the year ended 31 March 2017 totalled S$2,683 million, of which the principal inflows resulted from net proceeds from borrowings of S$6,889 million and proceeds from the issuance of new shares of S$2,302 million. These cash inflows were partially offset by interest payments totalling S$2,606 million and payments of dividends to the equity holder of Temasek and non-controlling interests of subsidiaries of S$5,290 million.

Cash and cash equivalents increased by S$9,464 million from S$42,613 million as at 31 March 2016 to S$52,077 million as at 31 March 2017.

Year ended 31 March 2016

Cash flows from operating activities for the year ended 31 March 2016 totalled S$11,163 million. Tax paid for the year ended 31 March 2016 reduced cash flows generated from operating activities by S$2,080 million.

Cash flows used in investing activities for the year ended 31 March 2016 totalled S$14,670 million, of which the principal outflows were payments for purchases of property, plant and equipment of S$10,874 million, primarily by SIA, Singtel, Sembcorp, PSA and Singapore Power, payments for purchases of interests in associates and joint ventures (net) of S$5,867 million and payments for purchases of investment properties and properties under development (net) of S$5,037 million. These cash outflows were partially offset by dividends received from associates and joint ventures of S$3,752 million.

Cash flows from financing activities for the year ended 31 March 2016 totalled S$2,373 million, of which the principal inflows resulted from net proceeds from borrowings of S$6,678 million and proceeds from the issuance of new shares of S$2,675 million. These cash inflows were partially offset by interest payments totalling S$2,441 million and payments of dividends to the equity holder of Temasek and non-controlling interests of subsidiaries of S$5,697 million.

Cash and cash equivalents decreased by S$1,134 million from S$43,747 million as at 31 March 2015 to S$42,613 million as at 31 March 2016.

Temasek Group's indebtedness

The following table sets forth the Temasek Group's indebtedness by category and maturity profile as at 31 March 2018:

	Payment due by period[1]			
	Total	Less than 1 year	1-5 years	More than 5 years
	(S$ million)			
Bank loans and bank overdrafts	45,352	11,084	30,203	4,065
Fixed rate notes	47,262	2,530	24,346	20,386
Floating rate notes	740	525	215	—
Finance lease and hire purchase obligations	504	57	105	342
Others[2]	2,361	1,605	449	307
Total debt	96,219	15,801	55,318	25,100

Notes:

(1) Amounts shown in this table are the amortised cost of the Temasek Group's indebtedness. For a more detailed description of Temasek's accounting policy on borrowings, see Note 3.8(f) of the consolidated financial statements of Temasek included elsewhere in this Offering Circular.

(2) Others include commercial bills and other loans.

See "Business of Temasek — Credit profile" for a discussion of Temasek's debt included in the Temasek Group's indebtedness.

Temasek Group's capital and other commitments and contingent liabilities

The Temasek Group has certain capital and other commitments and contingent liabilities as described in Notes 37 and 38 of the consolidated financial statements of Temasek, which are included elsewhere in this Offering Circular.

Business of Temasek

All discussions of Net Portfolio Value, investment portfolio, portfolio performance, investments, divestments, and credit profile in this section refer to information relating to Temasek Holdings (Private) Limited and its Investment Holding Companies.

Overview

Temasek is an investment company with a portfolio of investments covering a wide range of countries and industry sectors. Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by S&P.

Temasek was incorporated in 1974 under the Singapore Companies Act and is wholly-owned by the Government through MOF. The Constitution sets out a framework relating to the safeguarding of past reserves of Temasek as described in “Annex D — Constitutional safeguards”.

History

Temasek was incorporated in 1974 to commercially manage an initial portfolio valued at S$354 million that it acquired from MOF. This move enabled the Government to focus on its core role of policymaking and regulations.

As an independent investment company, Temasek was given the mandate to own and manage its assets based on commercial principles to deliver sustainable value over the long term.

In its earlier years, Temasek grew with its portfolio companies as Singapore developed and transformed. Since 2002, Temasek has actively invested in the transformation of Asia and beyond.

Temasek today has a portfolio of companies covering the following major sectors: financial services; telecommunications, media & technology; consumer & real estate; transportation & industrials; life sciences & agribusiness; and energy & resources. These investments span across countries and regions, including Singapore; China; rest of Asia; North America; Europe; Australia & New Zealand; Africa, Central Asia & the Middle East; and Latin America.

Strategy

Temasek is an investment company that owns and manages its assets based on commercial principles. Temasek is an active investor and shareholder that aims to deliver sustainable value over the long term. Temasek is a forward-looking institution that acts with integrity and is committed to the pursuit of excellence. Temasek is also a trusted steward that strives for the advancement of its communities across generations.

As an active investor, Temasek shapes its portfolio by increasing, holding or decreasing its investment holdings. These actions are driven by a set of commercial principles to create and maximise risk-adjusted returns over the long term.

As an engaged shareholder, Temasek promotes sound corporate governance in its portfolio companies. This includes the formation of high calibre, experienced and diverse boards. Companies in its portfolio are guided and managed by their respective boards and management; Temasek does not direct their business decisions or operations.

Similarly, Temasek’s investment, divestment and other business decisions are directed by its Board and management. Neither the President of Singapore nor Temasek’s shareholder, the Government, is involved in Temasek’s business decisions.

Temasek’s decisions as a professionally-managed investment company are guided by business tenets and commercial discipline.

Temasek continues to centre its investment strategies on these four investment themes:

- *Transforming Economies* — Tapping the potential of transforming economies like China, India, South East Asia and Latin America, through investments in sectors such as financial services, infrastructure and logistics.
- *Growing Middle Income Populations* — Leveraging growing consumer demands through investments in sectors such as telecommunications, media & technology, and consumer & real estate.

- *Deepening Comparative Advantages* — Seeking out economies, businesses and companies with distinctive intellectual property and other competitive advantages.
- *Emerging Champions* — Investing in companies with a strong home base, as well as companies at inflection points, with the potential to be regional or global champions.

These four investment themes are supplemented by trends which Temasek has identified to be disruptors of traditional business models or creators of new opportunities.

These trends, driven by technological advances, demographic shifts, and changing consumption patterns, include:

- *Longer Lifespans* — Markets and industries are developing to meet growing needs as we live longer;
- *Rising Affluence* — The combination of rising affluence and technology is redefining consumption patterns and attitudes in emerging markets;
- *Sustainable Living* — Increasingly eco-conscious solutions will create up to US$12 trillion of business opportunities by 2030, according to the Business & Sustainable Development Commission's January 2017 "Better Business Better World" report;
- *Smarter Systems* — Artificial intelligence and robotics are enabling ground-breaking capabilities;
- *More Connected World* — Digital connectivity and solutions are redefining how we communicate and interact around the world; and
- *Sharing Economy* — Peer-to-peer networks are promoting more efficient use of resources and greater convenience for businesses and consumers.

Individual investment and divestment decisions are shaped by Temasek's bottom-up intrinsic value tests. As the owner of its portfolio, Temasek may choose to invest, divest or remain in cash as its investment stance. Temasek has the flexibility to take concentrated positions and invest over varying horizons. Temasek maintains full flexibility to shift the weight of its portfolio in response to major trends and market opportunities.

Portfolio highlights

Temasek's Net Portfolio Value amounted to S$308 billion as at 31 March 2018, compared to S$275 billion and S$242 billion as at 31 March 2017 and 2016, respectively. Temasek ended the year with a net cash position.

As at 31 March 2018, approximately 27% of Temasek's Net Portfolio Value was in Singapore, 26% in China, 15% in rest of Asia, 13% in North America, 9% in Europe, 7% in Australia & New Zealand, 2% in Africa, Central Asia & the Middle East and 1% in Latin America.

As at 31 March 2018, Temasek's Net Portfolio Value comprised an approximately 61% exposure to the mature economies of Singapore, Japan & Korea, North America, Europe and Australia & New Zealand, and an approximately 39% exposure to growth regions.

As at 31 March 2018, Temasek's top three sectors (based on contribution to Temasek's Net Portfolio Value) were financial services, telecommunications, media & technology and consumer & real estate, which comprised 26%, 21% and 16%, respectively.

As at 31 March 2018, approximately 53% of Temasek's Net Portfolio Value was denominated in Singapore dollars, 24% in U.S. dollars, 12% in Hong Kong dollars, 2% in Korean won, 2% in Indian rupees and 7% in other currencies.

As at 31 March 2018, about 61% of Temasek's Net Portfolio Value comprised listed and liquid assets.

Total Shareholder Return

Temasek currently measures its portfolio performance by Total Shareholder Return.

"Total Shareholder Return" is a compounded and annualised measure of returns, taking into account changes in the Net Portfolio Value, dividends paid to Temasek's shareholder, and excludes capital injections from its shareholder.

One-year Total Shareholder Return in Singapore dollar terms for the year ended 31 March 2018 was 12.19%.

Over the long term, annualised 10-year and 20-year Total Shareholder Return in Singapore dollar terms for the year ended 31 March 2018 were 5% and 7%, respectively. Since inception, annualised 44-year Total Shareholder Return in Singapore dollar terms for the year ended 31 March 2018 was 15%.

Credit profile

Temasek's credit profile provides a quantitative snapshot of its credit quality and the strength of its financial position. Temasek considers its credit profile to include key indicators of its credit quality based on the financials of Temasek as an investment company. These key indicators of credit quality cover three main dimensions, namely, interest coverage, debt service coverage and leverage.

Indicators of credit quality

Indicators of interest coverage include dividend cover (which refers to the ratio of Temasek's dividend income to its interest expense) and recurring income cover (which refers to the ratio of Temasek's recurring income to its interest expense). Temasek's dividend income refers to dividends declared by Temasek's portfolio companies to Temasek. Temasek's recurring income consists of dividend income, income from investments, interest income and divestments.

For the years ended 31 March 2016, 2017 and 2018, Temasek's dividend income was more than 18, 18 and 23 times its interest expense, respectively. Temasek's dividend income was more than S$7.8 billion, S$7.0 billion and S$8.9 billion for each of the years ended 31 March 2016, 2017 and 2018, respectively. For the years ended 31 March 2016, 2017 and 2018, Temasek's recurring income was more than 86, 68 and 67 times its interest expense, respectively.

Indicators of debt service coverage include recurring income cover of debt due in one year or less (which refers to the ratio of Temasek's recurring income to its debt due in one year or less), and liquidity balance cover of debt due in the next ten years (which refers to the ratio of Temasek's liquidity balance to its debt due in the next ten years). Temasek's liquidity balance consists of cash and cash equivalents and short term investments. Short term investments refer to investments in securities expected to be realised in one year or less.

For the years ended 31 March 2016, 2017 and 2018, Temasek's recurring income was more than 27, 20 and 18 times its debt due in one year or less, respectively. As at 31 March 2016, 2017 and 2018, Temasek's liquidity balance was more than three, four and three times its debt due in the next ten years, respectively.

Indicators of leverage include Net Portfolio Value cover (which refers to the ratio of Temasek's Net Portfolio Value to its total debt) and liquid assets cover (which refers to the ratio of Temasek's liquid assets to its total debt). Temasek's liquid assets consist of mainly cash and cash equivalents and investments that each represents a minority interest of less than 20% in a listed company.

As at 31 March 2016, 2017 and 2018, Temasek's Net Portfolio Value was more than 18, 21 and 24 times its total debt, respectively, and its liquid assets were more than five, seven and eight times its total debt, respectively.

Debt maturity profile

As at 31 March 2016, 2017 and 2018, Temasek's debt comprised (1) notes issued by Temasek Financial (I) Limited under its US$20 billion Guaranteed Global Medium Term Note Program fully and unconditionally guaranteed by the Guarantor in the aggregate amount of S$11.6 billion, S$11.6 billion and S$11.4 billion (each based on the amortised cost of the notes recorded in Temasek's consolidated financial statements), respectively, and (2) S$1.3 billion, S$1.2 billion and S$1.4 billion, respectively, of commercial paper issued by Temasek Financial (II) Private Limited and fully and unconditionally guaranteed by the Guarantor under Temasek's US$5 billion Euro-commercial Paper Program. The weighted average maturities of the notes and commercial paper issued were over 11 years and approximately two months, respectively, as at 31 March 2018.

The following table sets forth the debt maturity profile of the aforesaid notes and commercial paper as at the dates indicated:

	As at 31 March		
	2016	2017	2018
	(S$ billion)		
Due in one year or less	1.3	1.2	1.4
Due between one to three years	2.0	3.1	2.9
Due between three to 10 years	4.4	3.4	4.2
Due in more than 10 years	5.2	5.1	4.3

On 1 August 2018, Temasek Financial (I) Limited issued US$1.35 billion of notes under its US$20 billion Guaranteed Global Medium Term Note Program.

Liquidity

Temasek believes that it currently maintains sufficient liquidity to meet its existing requirements. Temasek regularly evaluates its capital structure to ensure that it is optimal for its objectives. Temasek remains open and flexible to various financing options as long as they meet its objectives. Depending on market conditions, Temasek may access the capital markets to raise additional liquidity or redeem or repurchase its outstanding notes to manage its debt maturity profile and enhance its capital efficiency. Temasek may also from time to time establish new medium term note programmes pursuant to which notes issued thereunder may be offered to institutional and/or retail investors.

Investment portfolio by sectors

Temasek invests across sectors including financial services; telecommunications, media & technology; consumer & real estate; transportation & industrials; life sciences & agribusiness; and energy & resources. The discussion below sets forth Temasek's key investments in terms of market value (in the case of listed securities) or book value (in the case of unlisted securities) in these sectors, as well as their contribution to Temasek's Net Portfolio Value, in each case as at 31 March 2018 (unless otherwise indicated).

Financial Services

Temasek's key investments in the financial services sector were its minority interests in each of DBS, CCB and ICBC. Approximately 26% of Temasek's Net Portfolio Value was in the financial services sector.

Telecommunications, Media & Technology ("TMT")

Temasek's key investments in the TMT sector were its majority interests in each of Singtel and ST Telemedia and its minority interest in Alibaba. Approximately 21% of Temasek's Net Portfolio Value was in the TMT sector.

Consumer & Real Estate

Temasek's key investments in the consumer & real estate sector were its majority interest in Mapletree and its minority interests in each of A.S. Watson and CapitaLand. Approximately 16% of Temasek's Net Portfolio Value was in the consumer & real estate sector.

Transportation & Industrials

Temasek's key investments in the transportation & industrials sector were its majority interests in each of PSA, Singapore Power and SIA. Approximately 16% of Temasek's Net Portfolio Value was in the transportation & industrials sector.

Life Sciences & Agribusiness

Temasek's key investments in the life sciences & agribusiness sector were its minority interests in each of Celltrion, Inc. ("Celltrion"), Celltrion Healthcare Co., Ltd. and Gilead Sciences Inc. Approximately 6% of Temasek's Net Portfolio Value was in the life sciences & agribusiness sector.

Energy & Resources

Temasek's key investments in the energy & resources sector were its majority interest in Pavilion Energy Pte Ltd. and its minority interests in each of Repsol S.A. and FTS International Inc. Approximately 3% of Temasek's Net Portfolio Value was in the energy & resources sector.

Major investments

Certain information under this section with respect to Temasek's portfolio companies has been extracted from publicly available documents and information, including annual reports, information available on corporate websites and documents filed by such companies with their respective regulators and, if applicable, the relevant stock exchanges on which their securities are listed. Potential investors in the Notes may obtain information regarding these companies from such public sources. None of those documents or publicly available information is incorporated by reference in this Offering Circular. Each of the Issuer and Temasek makes no representation, express or implied, and does not accept any responsibility with respect to the accuracy or completeness of any information made publicly available by its portfolio companies, whether or not included in this Offering Circular.

The following table sets forth the total market value (in the case of listed securities) or total book value (in the case of unlisted securities) of Temasek's major portfolio companies, as well as the Temasek Group's effective interest in those portfolio companies, as at 31 March 2018. These companies, together with other major funds investments, as described below, accounted for approximately 59% of Temasek's Net Portfolio Value(1) as at 31 March 2018.

	As at 31 March 2018	
	Major Portfolio Companies Total Market or Book Value(2)	**Effective Interest of the Temasek Group(3)**
	(S$ million)	**%**
Listed subsidiaries		
Singapore Telecommunications Limited	55,002	52
Singapore Airlines Limited	12,819	56
Singapore Technologies Engineering Ltd	11,202	51
Olam International Limited	7,424	54
Unlisted subsidiaries		
Mapletree Investments Pte Ltd	12,786	100
PSA International Pte Ltd	11,080(4)	100
Singapore Power Limited	10,224	100
Singapore Technologies Telemedia Pte Ltd	5,158(4)	100
Listed associates		
DBS Group Holdings Ltd	70,506	29
CapitaLand Limited	15,065	40
Unlisted associate		
A.S. Watson Holdings Limited	4,915(4)	25
Listed other investments		
Alibaba Group Holding Limited	617,799	1
Industrial and Commercial Bank of China Limited	440,176	2
China Construction Bank Corporation	338,890	4
Ping An Insurance (Group) Company of China, Ltd.	246,842	2
AIA Group Limited	133,801	3
Celltrion, Inc.	47,591	13
Standard Chartered PLC	43,162	16

Notes:

(1) "Net Portfolio Value" as at a specified date: (a) refers to the sum of (i) the market value of investments in publicly-listed securities as at such specified date and (ii) the fair value of investments in unlisted securities, in each case held directly by Temasek or indirectly through an Investment Holding Company, whether such holding is for the short term or the long term; and (b) takes into account the net amount of other assets and liabilities of Temasek and its Investment Holding Companies. In respect of (a)(ii), the fair value of unlisted available-for-sale investments is based on valuation methods in accordance with FRS, and the fair value of investments in unlisted subsidiaries, associates and joint ventures is based on the sum of (1) the proportionate share of the shareholders' equity as set out in the financial statements of the relevant portfolio companies as at their respective financial year ends or latest available financial statements and (2) any premium paid, net of any subsequent impairment. In the case of unlisted subsidiaries, associates and joint ventures that hold substantially investments in publicly-listed securities, the fair value of investments in such unlisted subsidiaries, associates and joint ventures will take into account the market value of the underlying publicly-listed securities which they hold.

(2) Total market value is presented in the case of publicly-listed companies and total book value is presented in the case of private companies. For the publicly-listed companies, other than ICBC, CCB and Ping An Insurance (Group) Company of China, Ltd. ("Ping An"), which are listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange, Alibaba, which is listed on the New York Stock Exchange, AIA Group Limited ("AIA"), which is listed

on the Hong Kong Stock Exchange, Celltrion, which is listed on the Korea Exchange, and Standard Chartered, which is listed on the London Stock Exchange, the Hong Kong Stock Exchange, the National Stock Exchange of India and the Bombay Stock Exchange, such companies are listed on the SGX-ST. For private companies, total book value represents the shareholders' equity as set out in the financial statements of the relevant companies.

(3) "Effective interest", when used with respect to a portfolio company, refers to the aggregate of (i) the percentage interest in a portfolio company held directly by Temasek, if any, and (ii) Temasek's proportionate percentage interest in such portfolio company held indirectly through one or more of its subsidiaries computed based on Temasek's percentage interest in any such subsidiary multiplied by such subsidiary's percentage interest in such portfolio company. It does not include (a) Temasek's proportionate percentage interest in such portfolio company held indirectly through one or more of its associates or joint ventures and (b) the trading portfolios of Temasek and/or its subsidiaries. The effective interest of the Temasek Group presented in the table above is consistent with the effective interest presented in Notes 14 and 16 of Temasek's consolidated financial statements, where applicable, and for Olam, Mapletree and listed other investments is consistent with the method of computation of effective interest adopted in Temasek's consolidated financial statements. Temasek and its Investment Holding Companies' interest in its portfolio companies used for the purposes of computing Temasek's Net Portfolio Value as described in note (1) above, is derived on a different basis from the Temasek Group's effective interest in its portfolio companies.

(4) Total book value presented for PSA, ST Telemedia and A.S. Watson as at 31 December 2017.

The following is a brief description of each of the companies listed in the table above.

Singtel

Singtel is an Asian communications group. With significant operations in Singapore and Australia (through wholly-owned subsidiary Singtel Optus), the Singtel Group provides a portfolio of services that includes voice, data and video services over fixed and wireless platforms.

The Singtel Group has major investments in five leading mobile operators in the region. As at 31 December 2017, the Singtel Group, together with Singtel Optus and the regional mobile associates, served more than 670 million mobile customers around the world.

SIA

When SIA was formed in 1972, it operated a modest fleet of 10 aircraft to just 22 cities in 18 countries. With a commitment to fleet modernisation, product and service innovation and market leadership, SIA quickly distinguished itself as a world-class carrier.

Today, SIA Group operates a modern fleet of 190 aircraft and its network, including SIA Cargo, SilkAir and Scoot, currently covers 137 destinations across 37 countries. SIA also provides engineering services to more than 80 airlines through its subsidiary, SIA Engineering Company.

ST Engineering

ST Engineering is an integrated engineering group that provides innovative solutions and services in the aerospace, electronics, land systems and marine sectors.

It leverages its multi-sector capabilities to develop advanced solutions for customers across industries. ST Engineering serves both commercial and defence customers in over 100 countries, through a global network of over 100 subsidiaries and associates in 22 countries and 44 cities.

Olam

Olam, which is listed and headquartered in Singapore, is a global supply chain manager and processor of agricultural products and food ingredients. The business is segregated into five units: (i) edible nuts, spices and vegetable ingredients, (ii) confectionery and beverage ingredients, (iii) industrial raw materials, (iv) food staples and packaged foods and (v) commodity financial services.

Olam has a global presence in 66 countries, with a direct sourcing and processing presence in most major agricultural producing countries and over 22,000 customers worldwide. Olam also has a footprint across 18 platforms and has built leadership positions in several of its businesses, including cocoa, coffee, edible nuts, spices, rice and cotton.

Mapletree

Mapletree is a real estate development, investment and capital management company headquartered in Singapore. The company employs a business model intended to maximise capital efficiency and aims to invest in real estate sectors and geographical markets with good growth potential. Mapletree's diverse portfolio spans seven real estate sectors comprising office, retail, industrial, logistics, residential, corporate lodging/serviced apartment and student accommodation and 12 countries across the Asia Pacific region, the United States, the United Kingdom and Europe. Mapletree currently manages four Singapore-listed real estate investment trusts ("REITs") and six private real estate funds.

PSA

PSA is a global port group, with its principal business in the provision of integrated container terminal services. PSA also provides pilotage and towage services through its wholly-owned subsidiary PSA Marine (Pte) Ltd. PSA participates in port projects across Asia, Europe and the Americas with flagship operations in PSA Singapore Terminals and PSA Antwerp in Belgium. In 2017, PSA handled 74 million twenty-foot equivalent units worldwide. PSA Singapore Terminals operates one of the world's busiest transshipment hubs, handling about one-seventh of the world's total container transshipment throughput, and more than 4% of global container throughput.

Singapore Power

Singapore Power is an energy utility company in Asia Pacific.

With assets of S$19.2 billion as at 31 March 2018, it is one of the largest corporations in Singapore. Singapore Power owns and operates electricity and gas transmission and distribution businesses and provides energy market support services primarily in Singapore. Singapore Power also owns and operates a large underground cooling network in Singapore.

ST Telemedia

ST Telemedia is a strategic investor in communications, media and technology businesses around the globe. Its core competencies are in mobile communications, global Internet Protocol/data services, data centres, converged quadruple-play services, satellite services and cable TV.

ST Telemedia has major investments in StarHub Ltd, one of the largest integrated telecommunications service providers in Singapore; U Mobile Sdn Bhd, a 3G cellular operator in Malaysia; and operates its data centre portfolio through ST Telemedia Global Data Centres, a carrier-neutral data centre service provider with data centres across China, the United Kingdom, India and Singapore.

DBS

DBS is a financial services group in Asia, with over 280 branches across 18 markets. Headquartered and listed in Singapore, DBS has a growing presence in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. DBS is assigned "AA-" and "Aa2" and DBS Bank is assigned "AA-" and "Aa1" credit ratings that are among the highest in the Asia-Pacific region. As a bank that focuses on Asia, DBS leverages its deep understanding of the region, local culture and insights to serve and build long term relationships with its clients. DBS provides a full range of services in corporate, small and medium enterprises, consumer and wholesale banking activities across Asia and the Middle East.

CapitaLand

CapitaLand is one of Asia's largest real estate companies. Headquartered and listed in Singapore, CapitaLand is an owner and manager of a global portfolio worth more than S$88 billion as at 31 December 2017, comprising integrated developments, shopping malls, serviced residences, offices, homes, REITs and funds. Present across more than 150 cities in over 30 countries, CapitaLand focuses on Singapore and China as core markets, while it continues to expand in markets such as Vietnam and Indonesia.

CapitaLand's competitive advantage is its significant asset base and extensive market network. Coupled with extensive design, development and operational capabilities, CapitaLand develops and manages high-quality real estate products and services. It also has one of the largest investment management businesses in Asia and a stable of five REITs listed in Singapore and Malaysia — CapitaLand Mall Trust, CapitaLand Commercial Trust, Ascott Residence Trust, CapitaLand Retail China Trust and CapitaLand Malaysia Mall Trust.

A.S. Watson

A.S. Watson is an international health and beauty retailer with over 13,700 stores operating 13 retail brands in 25 markets worldwide. The company is headquartered in Hong Kong and is the retail division of CK Hutchison Holdings Limited.

Its flagship Watson brand operates over 6,200 stores in nine Asian markets and over 7,500 stores in Europe. Watson also operates other retail formats of more than 450 stores including supermarkets and consumer electronics and appliances.

Alibaba

Alibaba is an online and mobile commerce company based in China and listed in the United States. It operates third-party retail and wholesale marketplaces in China and globally through its Taobao, TMall, Juhuasuan, Alibaba.com, 1688.com and AliExpress platforms. In addition, the company provides cloud computing services using its technology infrastructure under the AliCloud brand and offers performance and brand marketing services through its marketing technology platform Alimama.

ICBC

ICBC is a commercial bank in China. Its principal business, which includes corporate banking, personal banking and treasury operations, serves approximately 6.3 million corporate clients and 567 million personal customers through 16,469 outlets in China, 419 overseas institutions and over 1,545 correspondent banks worldwide. The bank has a presence in six continents and 45 countries and regions and was listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange in 2006.

CCB

CCB is a commercial bank in China. CCB's business consists of three principal business segments: corporate banking, personal banking and treasury operations. CCB is among the market leaders in China in a number of products and services including infrastructure loans, residential mortgage and bank cards. The bank has branches and subsidiaries in 29 countries and regions, including CCB Asia, CCB London, CCB Russia, CCB Europe, CCB New Zealand, CCB Malaysia and CCB Brazil. It also holds 60% of the total share capital of CCB Indonesia. CCB was listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange in 2005 and 2007, respectively.

Ping An

Ping An is a leading financial services group in China. With core business in insurance, banking and investment and focus on financial technology and healthcare, the Ping An Group applies technologies to traditional financial businesses and provides 436 million internet users and 166 million retail customers with financial products and services.

AIA

AIA is an independent pan-Asian life insurance group that is listed on the Stock Exchange of Hong Kong. It has a presence in 18 markets in the Asia Pacific region, including wholly-owned branches and subsidiaries in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, Cambodia, a 97% subsidiary in Sri Lanka, a 49% joint venture in India and a representative office in Myanmar.

AIA offers a range of insurance products including life insurance, accident and health insurance and savings plans, employee benefits, credit life and pension services. AIA has more than 30 million individual policies and over 16 million participating members of group insurance schemes.

Celltrion

Celltrion is a Korean biopharmaceutical company listed on the KOSPI main board that develops and manufactures biosimilars. Celltrion's first product, Remsima (Remicade biosimilar), was the world's first monoclonal antibody biosimilar to receive approval from both the U.S. Food and Drug Administration and the European Medicines Agency (the "EMA"), and is currently approved in 79 countries across the globe. As of 31 March 2018, Celltrion had three biosimilars approved by the EMA.

Standard Chartered

Standard Chartered is a leading international bank listed on the London Stock Exchange, the Hong Kong Stock Exchange, the National Stock Exchange of India and the Bombay Stock Exchange. Standard Chartered is headquartered in London and has operated for over 150 years in some of the world's most dynamic markets. Standard Chartered derives more than 80% of its income and profits from Asia, Africa and the Middle East.

As at 31 December 2017, the Standard Chartered Group operated 1,026 branches and outlets in 63 countries.

Other Major Investments — Funds

Temasek's top three funds investments, as at 31 March 2018, are Avanda Global Multi Asset Fund ("Avanda Global"), Broad Peak Fund II L.P. ("Broad Peak") and SeaTown Singapore Feeder Fund LP ("SeaTown"). Avanda Global is managed by Avanda Investment Management Pte Ltd, and invests in multiple asset classes globally to achieve an attractive moderate long term rate of return and maintain an appropriate level of volatility. Broad Peak, managed by Broad Peak Investment Advisers Pte. Ltd., is a fundamental, multi-asset investment fund which invests principally across equities and credit with an absolute return orientation. Broad Peak has a pan-Asian investment focus with the ability to invest globally. Broad Peak's strategies include fundamentally driven long/short, event oriented, credit/ distressed debt, capital structure arbitrage, convertible/volatility driven investments, structured and quasi-private transactions. SeaTown seeks to achieve absolute risk-adjusted returns by investing across the capital structure of companies globally. SeaTown Holdings International Pte. Ltd. is the investment manager of SeaTown. These funds investments amounted to S$12.9 billion as at 31 March 2018.

Investments and divestments by Temasek

In the years ended 31 March 2016, 2017 and 2018, Temasek made approximately S$30 billion, S$16 billion and S$29 billion of investments, respectively, and approximately S$28 billion, S$18 billion and S$16 billion of divestments, respectively.

Subsequent to 31 March 2018, Temasek made the following significant investment:

In April 2018, Temasek, through a wholly-owned subsidiary, subscribed for 31 million new shares of Bayer AG ("Bayer"), representing approximately 3.6% of the issued capital stock of Bayer, for a purchase price of €3 billion. The new shares were issued to a wholly-owned subsidiary of Temasek at a price near the market price. Following the issuance and together with its previous shareholdings in Bayer, Temasek held approximately 4% of the issued capital stock of Bayer. Bayer is a life science company with a more than 150-year history and core competencies in the areas of health care and agriculture.

Risk management

There are inherent risks whenever Temasek invests, divests, or holds its assets, and wherever it operates.

As an owner, Temasek adopts a long investment horizon, with the flexibility to take concentrated positions. It invests across all stages of a business life cycle, from early stage and unlisted, to large or listed assets. Temasek does not have predefined concentration limits or targets for investing by asset class, country, sector, theme or single name.

The long investment horizon allows Temasek to have a portfolio of mostly equities, including unlisted assets such as private equity funds, to deliver higher expected risk adjusted returns for the long term. Consequently, its portfolio is expected to have higher year-to-year volatility of annual returns, with higher risks of negative returns in any one year.

Temasek's investment posture is to ride out such short term market volatility and focus on generating sustainable long term returns. It does not manage its portfolio to short term mark to market losses. Given the expected year to year volatility, Temasek manages its leverage and liquidity prudently for resilience and investment flexibility, even in times of extreme stress.

Temasek's investment posture is coupled with a culture of risk awareness and balanced risk taking. This applies to both its investment activities and institutional capabilities. Its risk sharing compensation philosophy puts the institution above the individual, emphasises long term over short term, and aligns the interests of its staff with those of shareholder.

Temasek's Organizational Risk Management Framework includes the following risk return appetite statements which set out various levels of risks tolerance, from reputational risk, to liquidity risk and sustained loss of overall portfolio value over prolonged periods:

- We have no tolerance for risks that could damage Temasek's reputation and credibility.

- We focus on performance over the long term.
- We have flexibility to take concentrated positions.
- We maintain a resilient balance sheet.
- We evaluate the potential for sustained loss of overall portfolio value over prolonged periods and use different scenarios to test our resilience.

Temasek tracks and manages risks proactively, and through economic and market cycles including specific risks at the asset level. Formalised processes instil the discipline to consider various perspectives. Investment proposals are submitted to its investment committee under a two-key system, for instance by both Temasek's market and sector teams. Depending on the size or risk significance, these proposals may be escalated to Temasek's Executive Committee or Board for final decision. Functional teams provide additional specialist perspectives and independent reviews.

Strategic and performance risk

Temasek's portfolio is exposed to concentration risks.

As at 31 March 2018, the top three countries were Singapore, China and the United States, which accounted for about 27%, 26% and 13% of Temasek's Net Portfolio Value, respectively.

As at 31 March 2018, the top three sectors were financial services, telecommunications, media & technology and consumer & real estate, which accounted for about 26%, 21% and 16% of Temasek's Net Portfolio Value, respectively.

As at 31 March 2018, the top three investments were Singtel, DBS and CCB, which accounted for about 9%, 7% and 4% of Temasek's Net Portfolio Value, respectively.

As at 31 March 2018, the top 10 companies accounted for about 41% of Temasek's Net Portfolio Value. The top 10 companies are Singtel, DBS, CCB, Mapletree, PSA, Singapore Power, Alibaba, A.S. Watson, ICBC and SIA.

Liquid and listed assets comprised about 61% of Temasek's Net Portfolio Value as at 31 March 2018, consisting of 36% of liquid assets and assets comprising investments that each represent a minority interest of less than 20% in a listed company, 10% of assets comprising investments that each represent a 20% or more but less than 50% interest in a listed company and 15% of assets comprising investments that each represent 50% or more interest in a listed company. Unlisted assets comprised about 39% of Temasek's Net Portfolio Value as at 31 March 2018, consisting of investments in companies and funds.

For computation of Net Portfolio Value and returns, Temasek marks its listed equity portfolio to market, which is expected to fluctuate due to market sentiments or underlying performance. Over the last 20 years, Temasek's worst annual return was a Total Shareholder Return of approximately negative 30% reported for the year ended 31 March 2009 during the global financial crisis. This was followed by a rebound of approximately 43% the following year.

Investment and operational risk

Temasek embeds risk management in its systems and processes to minimise operational risks. This includes approval authority delegation, company policies, standard operating procedures, and risk reporting to its management and Board.

Temasek considers environmental, social and governance factors, alongside other issues and risks, when making decisions as an investor, institution and steward. Country and sector risks are factored into the risk-adjusted cost of capital for each investment.

In terms of credit risk management, Temasek conducts periodic reviews of its exposures relating to counterparties, custodians and issuers.

To mitigate compliance and control risks, Temasek's Internal Audit unit conducts periodic reviews of its key control processes for all offices and undertakes special reviews requested by the Board, the Audit Committee or senior management.

At the operating level, Temasek's contingency management framework ensures business continuity, and helps manage potential risk incidents such as security and other threats.

Board and management

Board of Directors of Temasek

The following table sets forth the name, age and position of each member of the Board of Directors of Temasek Holdings (Private) Limited as at 16 July 2018:

Name	Age	Position
Lim Boon Heng	70	Chairman
Cheng Wai Keung	67	Deputy Chairman
Kua Hong Pak	74	Director and Chairman, Audit Committee
Chin Yoke Choong Bobby	66	Director
Goh Yew Lin	58	Director
Ho Ching	65	Executive Director and Chief Executive Officer
Lee Ching Yen Stephen	71	Director
Lee Theng Kiat	65	Director
Ng Chee Siong Robert	65	Director
Teo Ming Kian	66	Director
Peter Robert Voser	59	Director
Marcus Wallenberg	61	Director
Robert Bruce Zoellick	64	Director

The address of each of the Directors of Temasek, in their capacity as Directors of Temasek, is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

Directors are appointed for terms not exceeding three years and are eligible for re-appointment on the expiry of their term. See "Annex D — Constitutional safeguards — Appointment of Directors and Chief Executive Officer".

Mr. Lim Boon Heng joined Temasek as a Director on 1 June 2012 and was appointed Chairman of the Board on 1 August 2013. Mr. Lim is currently Chairman of NTUC Enterprise Co-operative Limited and Deputy Chairman of the Singapore Labour Foundation. He was previously a Cabinet Minister within the Prime Minister's Office. Mr. Lim's career spans the private and public sectors, having led Singapore's National Trade Union Congress, and having served as a Member of Parliament and Cabinet Minister for Trade and Industry. Before entering the public sector, Mr. Lim spent a decade at NOL. He holds a Bachelor of Science (Honours) degree in Naval Architecture from the University of Newcastle-upon-Tyne, UK.

Mr. Cheng Wai Keung joined Temasek as a Director on 15 September 2011 and was appointed Deputy Chairman of the Board on 4 November 2013. Mr. Cheng is Chairman and Managing Director of Wing Tai Holdings Limited, which holds interests in the property, hospitality and retail sectors in the region. Mr. Cheng also holds directorships on a number of companies. He is Vice Chairman of Singapore-Suzhou Township Development Pte Ltd and is a Director with Singapore Health Services Pte Ltd. Mr. Cheng also sits on the Board of Supervisors of China-Singapore Suzhou Industrial Park Development Group Co., Ltd (People's Republic of China). Mr. Cheng served as a director in various industries both locally and overseas. He chaired the boards of power and utilities, media and broadcasting companies, as well as multinational corporations engaged in global shipping and logistics and international hospitality businesses. Mr. Cheng was awarded the Distinguished Service Order (DUBC) by the Government in August 2007 and received the Public Service Star (Bar) in 1997 and the Public Service Star in 1987. He has been appointed Justice of the Peace by the President of the Republic of Singapore since the year 2000. He graduated with a Master of Business Administration degree from the University of Chicago, after obtaining his Bachelor of Science degree from Indiana University.

Mr. Kua Hong Pak has been a Director of Temasek since November 1996. He is Senior Advisor of ComfortDelGro Corporation Ltd. and was its Managing Director and Group Chief Executive Officer from 4 January 2003 to 30 April 2017. He also sits on the boards of PSA and PSA Corporation Ltd. He was previously the President and Chief Executive Officer of Times Publishing Limited. Mr. Kua was conferred the Public Service Star (Bar) in 2016. He was re-appointed a Justice of the Peace by the President of Singapore in 2015. He was also conferred Honorary Citizenship by the Shenyang City

People's Government in 1997. He holds a Bachelor of Accountancy degree from the then University of Singapore and participated in the Advanced Management Program of Harvard Business School.

Mr. Chin Yoke Choong Bobby joined Temasek as a Director on 10 June 2014. Mr. Chin is Chairman of the Housing Development Board, NTUC Fairprice Co-operative Ltd and NTUC Fairprice Foundation Ltd, Deputy Chairman of NTUC Enterprise Co-Operative Limited and a board member of the Singapore Labour Foundation. Mr. Chin also serves as a member of the Council of Presidential Advisers. He sits on the boards of several listed companies including Yeo Hiap Seng Ltd, Ho Bee Land Limited, AV Jennings Limited and Singapore Telecommunications Limited. Mr. Chin was the Managing Partner of KPMG Singapore for 13 years, from 1992 until his retirement in 2005. Mr. Chin served as a board member of Urban Redevelopment Authority from 1997 to 2006 and was its Chairman from 2001 to 2006. He also served as the Chairman of Singapore Totalisator Board from 2006 to 2012. Mr. Chin holds a Bachelor of Accountancy degree from the University of Singapore and is an Associate member of the Institute of Chartered Accountants in England and Wales. Mr. Chin was awarded the Public Service Medal in 2003, the Public Service Star in 2011 and the Friend of Labour Award in 2013. In 2017, he was also awarded the Meritorious Service Award at NTUC's May Day Awards and the Meritorious Service Medal on the National Day of Singapore.

Mr. Goh Yew Lin has been a Director of Temasek since August 2005. He is the Managing Director of GK Goh Holdings Ltd ("GK Goh"), an investment holding company listed on the SGX-ST. He was actively involved in the securities industry in Southeast Asia for 25 years until the sale of GK Goh's stockbroking business in 2005. Mr. Goh is the Chairman of SeaTown Holdings Pte Ltd and an independent Director of Trailblazer Foundation Ltd. Among his public sector appointments, he is the Chairman of the Yong Siew Toh Conservatory of Music, the Chairman of the Singapore Symphonia Company Limited, the Deputy Chairman of the National Arts Council, a trustee of the National University of Singapore and the Chairman of the National University of Singapore Investment Committee. Mr. Goh was conferred the Singapore Public Service Star in 2013. Mr. Goh holds a Bachelor of Science (Economics) degree from the University of Pennsylvania.

Ms. Ho Ching joined Temasek as a Director in January 2002 and became its Executive Director in May 2002. She was appointed Executive Director and Chief Executive Officer in January 2004. She is concurrently Chairman of Temasek International. Ms. Ho started her career in 1976 with the Ministry of Defence where she held various positions including Director, Defence Materiel Organization and concurrently Deputy Director, Defence Science Organization. She joined the Singapore Technologies Group in 1987 as Director Engineering and was its President and CEO from April 1997 to December 2001. Conferred the Public Administration Medal (Silver, 1985) and the Public Service Star (1996), Ms. Ho is a Distinguished Engineering Alumnus of the National University of Singapore and a Fellow of the Academy of Engineering, Singapore. She holds a Bachelor of Engineering (Honours) degree from the then University of Singapore and a Master of Science degree in Electrical Engineering from Stanford University, USA.

Mr. Lee Ching Yen Stephen joined Temasek as a Director on 1 July 2017. Mr. Lee is Chairman of SIA Engineering Company Ltd, NTUC Income Insurance Cooperative Limited, Shanghai Commercial Bank (Hong Kong) and Tripartite Alliance Limited. Mr. Lee is also Deputy Chairman of M+S Pte. Ltd.. He is Managing Director of Shanghai Commercial & Savings Bank Ltd (Taipei) and GMT Investments Pte Ltd and a Director of CapitaLand Limited, Singapore Labour Foundation and Kidney Dialysis Foundation. He is also a Member of the Council of Presidential Advisers and a Member of NTUC-ARU Board of Trustee. Mr. Lee was most recently Chairman of Singapore Airlines Limited, where he led the board from 2006 to 2016. He served as a Nominated Member of the Parliament of Singapore from 1994 to 1997. Mr. Lee was awarded the Beijing's Friendship Awards to Foreign Experts in 2007, the Singapore Distinguished Service Order in 2006, the Singapore Public Service Star in 1998 and the Distinguished Comrade of Labour in 2015. He was also conferred one of Singapore's highest state awards, Order of Nila Utama (First Class) in 2015. Mr. Lee holds a Master of Business Administration degree from Northwestern University, USA.

Mr. Lee Theng Kiat joined Temasek in April 2012 and was appointed as a Director in April 2016. He is currently Deputy Chairman and Chief Executive Officer of Temasek International Pte. Ltd. ("Temasek International"). Prior to joining Temasek, Mr. Lee was the President and Chief Executive Officer of ST Telemedia, a post he had held since its formation. Mr. Lee successfully led ST Telemedia as a significant mobile communications and global data services group. Under his leadership, ST Telemedia expanded its global footprint in the Asia-Pacific region, the Americas and Europe. Today, portfolio companies in the group include Asia Mobile Holdings Pte Ltd (which holds interests in Starhub Ltd, Mfone Co., Ltd and Lao Telecommunications Company Limited), Level 3 Communications, Inc., TeleChoice International Limited, U Mobile Sdn Bhd, Sky Cable Corporation and VNPT Global Joint Stock Company. Prior to joining ST Telemedia, Mr. Lee held various senior level positions in the Singapore Technologies Pte Ltd ("Singapore Technologies") Group, overseeing its legal and strategic business development functions. Mr. Lee served in the Singapore Legal Service for over eight years before joining the Singapore Technologies Group. Mr. Lee holds a Bachelor of Laws (Honours) degree from the National University of Singapore.

Mr. Ng Chee Siong Robert joined Temasek as a Director on 10 June 2014. Mr. Ng is currently the Chairman of Sino Land in Hong Kong, a leading property group in Asia, as well as Chairman of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. Mr. Ng was previously the Vice Chairman of M+S Pte Ltd where he played a key role in spearheading a real estate joint-venture initiative between Khazanah Nasional Berhad and Temasek. In addition, he is a Member of the 11th, 12th and 13th National Committee of the Chinese People's Political Consultative Conference ("CPPCC") and Deputy Director of the Committee for Economic Affairs of the 13th National Committee of the CPPCC. Mr. Ng is currently a Director of the Real Estate Developers Association of Hong Kong and Chairman of the Board of Governors of the Singapore International School in Hong Kong as well as Chairman of the Singapore International School Foundation. He also serves as Chairman of the Singapore Chamber of Commerce in Hong Kong. Mr. Ng was awarded the Public Service Star in 2001 and the Meritorious Service Medal in 2008. Mr. Ng was called as Barrister-at-Law in England in July 1975 and as Advocate and Solicitor in Singapore in August 1976.

Mr. Teo Ming Kian has been a Director of Temasek since 1 October 2006. Mr. Teo is concurrently the Chairman of Vertex Venture Holdings Ltd, Tessa Therapeutics Pte Ltd, Tychan Pte Ltd, Temasek Foundation Ecosperity CLG Ltd and Temasek Life Sciences Laboratory Ltd, its subsidiary and joint venture. He is also a Fellow of the Singapore Academy of Engineering. Before he retired from the Singapore Civil Service, he was the Permanent Secretary and Executive Chairman for several Singapore government ministries and agencies. Mr. Teo was conferred the Singapore Public Administration Medal (Gold) in 1993, the Commander First Class — Royal Order of the Polar Star (Sweden) in 1994, the Distinguished Alumni Award, Monash University, Australia in 1999, the Meritorious Service Medal in 2008 and the Defence Technology Medal (Distinguished Leadership) in 2015. Mr. Teo holds a Bachelor of Engineering (First Class Honours) degree in Mechanical Engineering from Monash University in Australia and Master of Science degree in Management Studies from the Massachusetts Institute of Technology.

Mr. Peter Robert Voser joined Temasek as a Director on 1 January 2015. Mr. Voser was formerly Chief Executive Officer of Royal Dutch Shell plc from 2009 to 2013. Since April 2015, Mr. Voser has served as the Chairman of ABB Ltd, a company which manufactures electrification products, robotic and motion, industrial automation and power grid products. He is also the Chairman of the Board of Trustees of St. Gallen Foundation for International Studies and a member of the Executive Committee of the Catalyst Board of Directors, a non-profit organisation that works to expand opportunities for women in business. He is active in a number of international and bilateral organisations. In addition, Mr. Voser is Deputy Chairman of PSA International Pte Ltd, and also a Director of Roche Holdings Limited and International Business Machines Corporation ("IBM"). Mr. Voser was formerly a member of the Supervisory Board of Aegon N.V. from 2004 to 2006, a member of the Supervisory Board of UBS AG from 2005 to 2010 and a member of the Swiss Federal Auditor Oversight Authority from 2006 to 2010. In July 2011, His Majesty the Sultan of Brunei awarded Mr. Voser the title of *Dato Seri Laila Jasa* in recognition of his services to Brunei. He holds a degree in Business Administration from the University of Applied Sciences, Zürich.

Mr. Marcus Wallenberg joined Temasek as a Director on 8 July 2008. Mr. Wallenberg is the Chairman of several major companies in Sweden, such as Skandinaviska Enskilda Banken, Saab AB and FAM AB. In addition, Mr. Wallenberg served as Chairman of the International Chamber of Commerce, a world business organisation with representation from global businesses, aimed at promoting cross border trade and investments. Mr. Wallenberg is also a Board member of AstraZeneca Plc, Investor AB and the Knut and Alice Wallenberg Foundation. He holds a Bachelor of Science degree in Foreign Service from Georgetown University, Washington D.C.

Mr. Robert Bruce Zoellick joined Temasek as a Director on 15 August 2013. Mr. Zoellick is currently the Chairman of AllianceBernstein L.P. and AllianceBernstein Holding L.P.. He is also a Senior Counselor at the Brunswick Group and a Senior Fellow at the Belfer Center for Science and International Affairs at Harvard University's Kennedy School of Government. He was the President of the World Bank from July 2007 to 2012 and served the U.S. Government in various roles including as the U.S. Trade Representative (2001 to 2005) and Deputy Secretary of State (2005 to 2006) during the

Administration of President George W Bush. During his tenure as U.S. Trade Representative, the U.S. signed its Free Trade Agreement with Singapore, as well as with 11 other countries. From 1985 to 1993, Mr. Zoellick served in various posts in the Reagan and George H.W. Bush Administrations, including Counselor to the Secretary of the Treasury, Under Secretary of State and Deputy Chief of Staff of the White House. He holds a J.D. magna cum laude degree from Harvard Law School and a Master of Public Policy degree from Harvard University's John F Kennedy School of Government. He has received numerous awards and honours for his work in public service in the United States, Australia, Chile, Germany and Mexico.

Committees of the Board of Directors of Temasek

Executive Committee

The members of the Executive Committee are Mr. Lim Boon Heng (Committee Chairman), Mr. Cheng Wai Keung, Mr. Goh Yew Lin, Ms. Ho Ching, Mr. Lee Ching Yen Stephen, Mr. Lee Theng Kiat and Mr. Ng Chee Siong Robert. The Executive Committee reviews, considers and approves matters relating to:

- supervision and control;
- financing and funding proposals;
- mergers and acquisitions;
- changes in shareholding structure;
- dividend policy; and
- any other major operating decisions as may be delegated by the Board of Directors from time to time.

Audit Committee

The members of the Audit Committee are Mr. Kua Hong Pak (Committee Chairman), Mr. Chin Yoke Choong Bobby and Mr. Teo Ming Kian. The Audit Committee is responsible for reviewing Temasek's:

- financial reporting;
- internal and external audit;
- internal controls;
- compliance with applicable laws and regulations;
- code of ethics and standards of practice; and
- valuation policy and procedures.

The Audit Committee has full access to all Temasek employees and has authority to engage external legal and professional advisers, where appropriate.

Leadership Development and Compensation Committee

The members of the Leadership Development and Compensation Committee are Mr. Lim Boon Heng (Committee Chairman), Ms. Ho Ching, Mr. Lee Ching Yen Stephen, Mr. Teo Ming Kian and Mr. Peter Robert Voser. The Leadership Development and Compensation Committee's objective is to establish policies on the following:

- leadership identification, development, renewal and succession plans for key positions at Temasek and its portfolio companies;
- appointment of board members of Temasek's portfolio companies, renewals of board appointments and directors' compensation for Temasek's portfolio companies;
- management compensation and performance;
- approval of remuneration and other payments to any members of the Board of Directors; and
- establishment and administration of any incentive plans.

Senior management of Temasek

The following table sets forth the name, age and position of each member of Temasek's senior management as at 16 July 2018:

Name	Age	Position
Ho Ching	65	Executive Director & Chief Executive Officer of Temasek Holdings (Private) Limited
Lee Theng Kiat	65	Deputy Chairman & Chief Executive Officer of Temasek International
Dilhan Pillay Sandrasegara	55	Deputy Chief Executive Officer Joint Head, Enterprise Development Group Joint Head, Investment Group Joint Head, Singapore Head, Americas
Chia Song Hwee	55	President & Chief Operating Officer Joint Head, Investment Group Joint Head, Portfolio Management Group Joint Head, Singapore
Jonathon Revill Christopher Allaway	53	Chief Technology Officer
Syed Fidah Bin Ismail Alsagoff	53	Head, Life Sciences
Michael John Buchanan	51	Head, Strategy Senior Managing Director, Portfolio Strategy & Risk Group Head, Australia & New Zealand
Chan Wai Ching	55	Joint Head, Corporate Development Group Head, Organization & People
Gregory Lynn Curl	69	President
Luigi Feola	50	Senior Managing Director, Europe Joint Head, Consumer
Nagi Adel Hamiyeh	49	Joint Head, Enterprise Development Group Joint Head, Consumer Joint Head, Industrials Head, Real Estate Head, Africa & Middle East
Hu Yee Cheng Robin	60	Head, Sustainability & Stewardship Group
Uwe Krueger	53	Head, Business Services Senior Managing Director, Portfolio Management
Ravi Lambah	50	Head, Telecommunications, Media & Technology Joint Head, India
Leong Wai Leng	62	Chief Financial Officer Joint Head, Corporate Development Group
John William Marren	55	Senior Managing Director, North America
Pek Siok Lan	53	General Counsel
Png Chin Yee	42	Head, Financial Services Senior Managing Director, China
Rohit Sipahimalani	51	Joint Head, Portfolio Strategy & Risk Group Joint Head, India
Tan Chong Lee	56	President Joint Head, Portfolio Management Group Head, Europe Head, South East Asia
Teo Juet Sim Juliet	48	Head, Transportation & Logistics Senior Managing Director, Portfolio Management

Name	Age	Position
Alan Raymond Thompson	58	Head, Private Equity Fund Investments Senior Managing Director, Enterprise Development Group
Benoit Louis Marie Francois Valentin	49	Senior Managing Director, Europe Joint Head, Industrials
John Joseph Vaske	52	Joint Head, North America
Wu Yibing	51	Joint Head, Portfolio Strategy & Risk Group Head, China

As Executive Director & Chief Executive Officer of Temasek Holdings (Private) Limited, Ms. Ho Ching continues to oversee Temasek's stewardship role, including its constitutional responsibility to protect Temasek's past reserves.

Temasek International is a wholly-owned subsidiary of Temasek Holdings (Private) Limited that provides management services to Temasek Holdings (Private) Limited.

As Deputy Chairman & Chief Executive Officer of Temasek International, Mr. Lee Theng Kiat is responsible for Temasek's role as an active investor and shareholder. He oversees Temasek's commercial strategies and portfolio.

Ms. Ho and Mr. Lee work closely to oversee and strengthen Temasek's foundation as a forward-looking institution.

Ms. Ho Ching. See "— Board of Directors of Temasek".

Mr. Lee Theng Kiat. See "— Board of Directors of Temasek".

Mr. Dilhan Pillay Sandrasegara joined Temasek in September 2010 and is currently Deputy Chief Executive Officer; Joint Head, Enterprise Development Group; Joint Head, Investment Group; Joint Head, Singapore and Head, Americas. Prior to joining Temasek, Mr. Sandrasegara was the Managing Partner of WongPartnership LLP and had practiced law for over 20 years in the areas of mergers and acquisitions, corporate governance and general corporate law. Mr. Sandrasegara graduated from the National University of Singapore with a Bachelor of Laws degree and obtained a Master of Law degree from the University of Cambridge.

Mr. Chia Song Hwee joined Temasek in October 2011 and is currently President & Chief Operating Officer; Joint Head, Investment Group; Joint Head, Portfolio Management Group and Joint Head, Singapore. Prior to joining Temasek, Mr. Chia was the Chief Operating Officer at GLOBALFOUNDRIES. Prior to the integration of GLOBALFOUNDRIES and Chartered Semiconductor Manufacturing Ltd ("Chartered"), Mr. Chia served as a Director of the Board, and President and Chief Executive Officer of Chartered from June 2002 to December 2009. Mr. Chia joined Chartered in 1996, where he held a number of management positions, including Senior Vice President, Chief Financial Officer and Chief Administrative Officer. Prior to Chartered, Mr. Chia was from the Schlumberger Group, a global oilfield services group, where the last position he held was Regional Controller for Asia, Australia and the Middle East of the drilling group. Mr. Chia received his Bachelor of Business (Accountancy), with distinction, from Edith Cowan University, Australia and is a member of CPA Australia. Mr. Chia was honoured with the EE Times Annual Creativity in Electronics (ACE) Award for Executive of the Year in 2007.

Mr. Jonathon Revill Christopher Allaway joined Temasek in January 2018 and is currently Chief Technology Officer. Mr. Allaway was most recently Accenture's Group Technology Officer for Financial Services globally and the Senior Managing Director for Accenture's Financial Services business in Asia. Mr. Allaway was responsible for developing industry-specific technology strategies and shaping technology-enabled change programs for banking, insurance and capital markets clients. Mr. Allaway has three decades in large-scale business change and technology implementation experience in the region. He re-joined Accenture in 2012 as Senior Managing Director of Sales for Financial Services in Asia Pacific. He also held a number of leadership roles in the financial services industry. Prior to Accenture, Mr. Allaway worked for ANZ Bank as Group Managing Director of IT Strategy, Change & Project Management. In 2005, he founded Allaway Management Consulting, providing a range of consulting services to chief executive officers and chief information officers in the banking, funds management and private equity sectors. Mr. Allaway was also the co-founder of Saltbush Capital Markets, a private equity firm with investments in agriculture, aged care, parking solutions for cities and telecommunications. Mr. Allaway started his career with Accenture in 1984 and was with them for

20 years where he managed and successfully delivered a number of large complex technology investments for clients. In 1997, he was promoted to Managing Director and led Accenture's Financial Services business in Singapore. Mr. Allaway has a Bachelor's degree in Economics from University of Sydney with majors in Money & Finance and Computer Science.

Mr. Syed Fidah Bin Ismail Alsagoff joined Temasek in August 2008 and is currently Head, Life Sciences. Prior to joining Temasek, Mr. Alsagoff was a Partner at Innosight Ventures Pte Ltd, a venture capital fund investing in disruptive innovation. Before that, Mr. Alsagoff was Director, Strategy, Policy & Communications at Singapore Health Services Pte Ltd and thereafter, was appointed Chief Executive Officer of Ministry of Health Holdings Pte Ltd, the parent company of Singapore's public hospitals and clinics. Mr. Alsagoff's career also included nearly a decade in social entrepreneurship where he started several programmes and enterprises catering to unmet healthcare needs of patients, with the latest enterprise being the establishment of the Singapore Cord Blood Bank. Mr. Alsagoff graduated from the National University of Singapore with a Bachelors of Medicine and Surgery and later with a Masters of Medicine in Public Health. Mr. Alsagoff attended INSEAD on a Lee Kuan Yew Scholarship for post-graduate studies and graduated with an Executive MBA (with distinction). As valedictorian of his EMBA class, Mr. Alsagoff was awarded the Claude Janssen Prize.

Mr. Michael John Buchanan joined Temasek in December 2012 and is currently Head, Strategy; Senior Managing Director, Portfolio Strategy & Risk Group; and Head, Australia & New Zealand. Mr. Buchanan was most recently the Chief Asia-Pacific Economist at Goldman Sachs, Hong Kong where he was responsible for the firm's economic, foreign exchange and rates views on the region. Prior to this role, Mr. Buchanan was the Co-Director of the Global Macro & Markets Research Group, responsible for broad macro-trading strategy as well as long term thematic research on the future of the global economy and shorter-term cyclical work on the major economies. Mr. Buchanan was also previously the Senior Emerging Markets Economist of Goldman Sachs, based out of London office. Mr. Buchanan began his career as a lecturer at Jesus College, Oxford University and at the Institute of Economics and Statistics, Oxford University. Thereafter, Mr. Buchanan joined the International Monetary Fund as an economist working on Russia and capital market issues. Mr. Buchanan holds a Masters of Philosophy from Oxford University (under Rhodes scholarship). Mr. Buchanan graduated from University of Tasmania, Australia with Honours in Economics (and a partial major in Law).

Ms. Chan Wai Ching joined Temasek in June 2006 and is currently Joint Head, Corporate Development Group and Head, Organization & People. As part of Temasek's senior leadership team, Ms. Chan oversees all of Temasek's organisational, human capital and leadership matters. In addition, she also works with and supports the boards of Temasek's portfolio companies in putting together high calibre boards, appropriate board remuneration framework, and management incentive plans. In this regard, she also sits on the Remuneration Committees of select portfolio companies. Prior to Temasek, Ms. Chan's career in human resources spans 27 years, including senior appointments at Fullerton Financial Holdings, Citibank N.A., Singapore Technologies Pte Ltd, United Overseas Bank and Overseas Union Bank. Ms. Chan holds a Bachelor of Business Administration degree from the National University of Singapore, a graduate diploma in HR management and completed the Advanced Management Programme at Harvard Business School in 2012.

Mr. Gregory Lynn Curl joined in September 2010 and is currently President of Temasek International. Before his current appointment, Mr. Curl was previously Head, Americas; Head, Latin America in Temasek International, as well as President of Temasek Holdings (Private) Limited. Mr. Curl retired from Bank of America ("BoA") in March 2010 after a banking career of over 35 years. During his tenure in BoA, Mr. Curl held several senior executive positions, including Chief Risk Officer, Vice Chairman of Corporate Development and Global Corporate Strategic Development & Planning executive. Apart from his career in banking, Mr. Curl has also served as a special assistant from 1976 to 1978 to US Senator John Danforth. Mr. Curl received a Master of Arts in Government degree from the University of Virginia.

Mr. Luigi Feola joined Temasek in March 2016 and is currently Senior Managing Director, Europe and Joint Head, Consumer. Mr. Feola was most recently President of Value Retail Management Limited, a leading luxury retailing business that develops and manages luxury shopping villages across Europe and China. Prior to Value Retail Management Limited, Mr. Feola spent more than 20 years at Proctor & Gamble Co. ("P&G") where he started as Financial Analyst and progressively held positions of increasing responsibility. Mr. Feola was appointed Chief Financial Officer, Global Prestige Products in 2009 and his last role at P&G in 2014 was Vice President and General Manager of Global Luxury Brands, comprising a portfolio of five brands in the luxury beauty segment: Dolce & Gabbana, Gucci, Escada, Stella McCartney and Alexander McQueen. Mr. Feola started out as Lieutenant in the Italian Navy in 1988 to 1990 and subsequently moved to take on finance-related roles in Italy, Belgium and Ukraine, before moving to the United States as Head of Mergers & Acquisition in Global Beauty Care and Chief Financial Officer in Global Prestige Products in Switzerland. Mr. Feola graduated with Business and Economics (Honours) degree from Messina University and obtained a Master of Business Administration degree from Luigi Bocconi University and attended the International Exchange Program at the University of California Berkeley. Mr. Feola is a certified Chartered Public Accountant.

Mr. Nagi Adel Hamiyeh joined Temasek in September 2005 and is currently Joint Head, Enterprise Development Group; Joint Head, Consumer; Joint Head, Industrials; Head, Real Estate and Head, Africa & Middle East. Prior to joining Temasek, Mr. Hamiyeh held senior management positions in various companies including Credit Suisse and Bain & Company. Mr. Hamiyeh holds a Bachelor of Science degree in Civil Engineering from the University of Texas and Master of Science degree in Civil Engineering and Environmental Engineering from the Massachusetts Institute of Technology.

Mr. Hu Yee Cheng Robin joined Temasek in December 2016 and is currently Head, Sustainability & Stewardship Group. Mr. Hu was previously the Chief Executive Officer of the South China Morning Post ("SCMP") Group in Hong Kong since June 2012. Prior to his appointment at SCMP, Mr. Hu was Senior Executive Vice President, Chinese Newspapers Division and Newspaper Services Division of Singapore Press Holdings ("SPH") for eight years, where he was responsible for managing the group's three Chinese dailies, a bilingual free-sheet, events and exhibitions, retail and printing operations and China business relations and development. Mr. Hu also served as Managing Director (Global Business) of Singtel NCS Ltd from August 2001 to June 2004. Mr. Hu gained earlier experience in China as the Regional Director (China) for the Singapore Economic Development Board based in Shanghai and Suzhou between 1995 and 1997 and in Beijing in 1998. During that time, Mr. Hu was a Counselor with the Embassy of the Republic of Singapore (Beijing) between March 1998 and December 1999. Mr. Hu also served as Senior Vice President and Country General Manager of Asiacontent.com Ltd from January 2000 to June 2001. Mr. Hu holds a Bachelor of Science (Honours) in Mathematics from the University of Kent and a Master of Science in Computer Science from the University of Wales.

Mr. Uwe Krueger joined Temasek in January 2018 and is currently Head, Business Services and Senior Managing Director, Portfolio Management. Mr. Krueger was most recently the Chief Executive Officer of WS Atkins plc and was responsible for one of the world's largest engineering firms providing professional, technology-based consultancy and support services for clients in both the private and public sectors globally. Prior to Atkins, Mr. Krueger was the President of Cleantech Switzerland. He was also an Operations Director and Senior Advisor with TPG Capital based in London and San Francisco. Before TPG Capital, Mr. Krueger was the Chief Executive Officer of OC Oerlikon Management AG and had assumed multiple roles with Hochtief AG, among them Chief Executive Officer Central/Eastern Europe (Warsaw, Moscow) and Chairman Turner International (Dallas/US). He started his career as a Project Manager with A.T. Kearney. In addition, Mr. Krueger serves on the Boards of Aggreko plc, SUSI AG, Ontex S.A. and is a Member of the Swiss Federal Nuclear Commission. Mr. Krueger holds a Doctorate of Philosophy from University of Frankfurt and was conferred a Honorary Doctorate from Heriot-Watt University, Edinburgh. He also holds an Honorary Professorship of Physics at Johann Wolfgang Goethe University, Frankfurt. He received the European CEO of the Year Award in 2016.

Mr. Ravi Lambah joined Temasek in April 2012 and is currently Head, Telecommunications, Media & Technology and Joint Head, India. Prior to this role, Mr. Lambah was the Chief Operating Officer of ST Telemedia, an investor-operator with a significant global portfolio of telecom and media assets. His role comprised overseeing the investments and operations of the company, which is also a 100% owned subsidiary of Temasek. Mr. Lambah has over 25 years in the financial and investment banking industry in the Asia-Pacific region, 15 of which were with Citigroup, Credit Suisse and Jardine Fleming. Mr. Lambah is a Chartered Accountant and a Cost and Management Accountant. Mr. Lambah holds a Bachelor's degree in Commerce and Economics, from India's University of Bombay.

Ms. Leong Wai Leng joined Temasek in March 2006 and is currently the Chief Financial Officer and Joint Head, Corporate Development Group. Ms. Leong has more than 35 years of working experience holding senior management positions in three publicly listed companies and the public sector. Prior to joining Temasek, she was the Deputy Chief Executive Officer of Raffles Holdings Ltd and concurrently, the Chief Executive Officer of Raffles International Ltd, its hotel operating and management subsidiary. Ms. Leong has a Bachelor of Arts (Honours) in Engineering Tripos and a Master of Arts from

Cambridge University, United Kingdom. She also holds a Master of Applied Finance from Macquarie University, Australia.

Mr. John William Marren joined Temasek in November 2017 and is currently Senior Managing Director, North America. Prior to joining Temasek, Mr. Marren was a Partner of TPG Capital ("TPG") and led the firm's Technology Buyout Team for 17 years. Prior to TPG, Mr. Marren was a Managing Director and Co-Head, Technology Investment Banking Group at Morgan Stanley. He was also a Managing Director and Senior Semiconductor Analyst at Alex Brown & Sons. Prior to his career on Wall Street, Mr. Marren spent seven years in the semiconductor industry working for VLSI Technology and Vitesse Semiconductor. In addition, Mr. Marren serves on the Boards of a number of companies including Advanced Micro Devices. Mr. Marren received a Bachelor of Science from University of California, where he studied Electrical Engineering.

Ms. Pek Siok Lan joined Temasek in April 2012 and is currently General Counsel. Prior to joining Temasek, Ms. Pek was Executive Vice President and General Counsel at ST Telemedia where she was responsible for the company's legal, regulatory and corporate secretarial affairs. Ms. Pek has over 25 years of experience in the legal services sector and has executed various complex merger and acquisition transactions. Ms. Pek holds a Bachelor of Laws (Honours) degree from the National University of Singapore.

Ms. Png Chin Yee joined Temasek in July 2011 and is currently Head, Financial Services and Senior Managing Director, China. Prior to joining Temasek, Ms. Png was Managing Director with UBS AG where she was the Joint Head of FIG for Asia Investment Banking. Ms. Png was responsible for FIG clients in Asia, including multinationals, across all FIG subsectors which included banking, life and general insurance, asset management and brokerage. Ms. Png holds a Bachelor of Accountancy (First Class Honours) degree from the Nanyang Technological University.

Mr. Rohit Sipahimalani joined Temasek in November 2008 and is currently Joint Head, Portfolio Strategy & Risk Group and Joint Head, India. Before his current role, he was Co-Head of the Investment Group from 2012 to 2016. Prior to joining Temasek, Mr. Sipahimalani spent 11 years with Morgan Stanley where he most recently served as Managing Director & Head of South East Asia Investment Banking in Singapore since 2007. During his time at Morgan Stanley, he has also held the positions of Managing Director & Co-Head of Asia Pacific Merger & Acquisition in Hong Kong and Vice President in Mumbai, where he started with Morgan Stanley in 1997. Mr. Sipahimalani began his career with Citibank, Mumbai and also spent a portion of his career with McKinsey & Co. Mr. Sipahimalani graduated from St. Stephens College, Delhi University with a Bachelor of Arts (Economics) degree and holds a Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad.

Mr. Tan Chong Lee joined Temasek in October 2011 and is currently President; Joint Head, Portfolio Management Group; Head, Europe and Head, South East Asia. Prior to assuming his present role in February 2013, Mr. Tan was the Chief Investment Officer. Before joining Temasek, Mr. Tan was the Country Executive of South East Asia as well as the Head of Corporate & Investment Banking, South East Asia at Bank of America Merrill Lynch. He was also a member of Bank of America Merrill Lynch's Asia Pacific Executive Committee. Before joining Bank of America Merrill Lynch, Mr. Tan was the Co-Head of Investment Banking, South East Asia with Goldman Sachs and before that he worked for several European banks including BNP Paribas and Barings Brothers & Co. Mr. Tan received his Bachelor of Commerce and Administration (Accounting) degree and Bachelor of Arts (Economics) degree from the Victoria University of Wellington, New Zealand and is a provisional member of the New Zealand Institute of Chartered Accountants.

Ms. Teo Juet Sim Juliet joined Temasek in April 1996 and is currently Head, Transportation & Logistics and Senior Managing Director, Portfolio Management. During her tenure at Temasek, Ms. Teo has been involved in originating, evaluating and managing investment opportunities across a broad range of sectors, including financial services, telecommunications, media & technology and transportation and logistics. She has also been involved in shaping various institutional initiatives within Temasek including organisational structures, talent development and governance framework. Prior to joining Temasek, Ms. Teo was with Singapore Press Holdings. Ms. Teo has been a Director of Changi Airports International Pte. Ltd and Belford Investments Pte. Ltd. since July 2016. Ms. Teo holds a Bachelor of Business Administration (Second Upper Honours) degree from the National University of Singapore and is a CFA charter holder.

Mr. Alan Raymond Thompson joined Temasek in January 2004 and is currently Head, Private Equity Fund Investments and Senior Managing Director, Enterprise Development Group. Mr. Thompson was previously Managing Director, Portfolio Management, and Managing Director, Telecommunications and Media. He was also based in Sao Paulo for several years as Managing Director, Latin America while he established Temasek's offices in Latin America. Prior to joining Temasek in 2004, he was a Partner at Stern Stewart & Co. where he led numerous client engagements on managing for shareholder value across a wide range of industries in Southeast Asia, Australia and South Africa. Mr. Thompson previously worked in the private equity fund of a large banking group in South Africa, and had 10 years of operational experience in the high-tech sector in South Africa, spanning software engineering, systems engineering and executive management roles. Mr. Thompson holds a Master of Business Administration degree, a Graduate Diploma in Engineering and a Bachelor of Science degree in Electrical Engineering, from the University of the Witwatersrand in Johannesburg, South Africa.

Mr. Benoit Louis Marie Francois Valentin joined Temasek in September 2014 and is currently Senior Managing Director, Europe and Joint Head, Industrials based in London. Before joining Temasek, Mr. Valentin was Partner and Head of the Paris office, as well as Co-Head of Industrials sector at Cinven, the European private equity firm (from 2006 to 2014). At Cinven, he was involved in several transactions including Eutelsat, Camaïeu and Amadeus. Prior to Cinven, Mr. Valentin worked for 12 years with Goldman Sachs, initially within the investment bank in London and Singapore and, since 2000, as Managing Director with PIA, Goldman Sachs' private equity unit in London. While in that capacity, he completed several major investments, including Eutelsat, Legrand and Messer Griesheim. Prior to Goldman Sachs, Mr. Valentin worked with Credit Lyonnais in Paris. Mr. Valentin graduated from the HEC School of Management in Paris with a Master of Science degree in Business Administration.

Mr. John Joseph Vaske joined Temasek in January 2017 and is currently Joint Head, North America. Previously, Mr. Vaske was Co-Chairman of Global M&A in the Investment Banking Division at Goldman Sachs where he spent his entire career prior to Temasek. Mr. Vaske joined Goldman Sachs in 1988 as an Analyst with the M&A team in New York. He relocated to Tokyo from 1989 to 1991 to help start the M&A practice before returning to New York. In 1997, Mr. Vaske became head of the Chemicals Group, which later merged into Energy & Power to form the Natural Resources Group in IBD. He relocated to London in 2005 to lead the European Natural Resources Group. In March 2010, Mr. Vaske returned to New York as Co-Head of the Natural Resources Group ultimately becoming Co-Chairman. Mr. Vaske moved into his latest role as Co-Chairman of Global M&A in 2015. Mr. Vaske graduated from Columbia University with a Bachelor of Arts (Economics).

Mr. Wu Yibing joined Temasek in October 2013 and is currently Joint Head, Portfolio Strategy & Risk Group and Head, China. Mr. Wu was previously President of CITIC Private Equity Funds Management Co. Ltd., a position he held since December 2009. He concurrently served as Chairman and Chief Executive Officer of Goldstone Investment Co. Ltd., the direct investment arm of CITIC Securities Company Limited. Mr. Wu began his career with McKinsey & Co., rising to the positions of Senior Partner and Head of Asia Pacific M&A Practice. He was also General Manager of McKinsey Beijing, where he was responsible for providing M&A, corporate restructuring and IPO advisory for large Chinese enterprises. He has advised a number of leading Asian companies in their international expansion effort. He subsequently joined Lenovo Group Ltd. ("Lenovo") and led its acquisition and integration of IBM's PC ("personal computer") business, serving as Chief Strategy Officer, Chief Integration Officer, Chief Transformation Officer and Chief Information Officer of Lenovo. Mr. Wu was later appointed to Lenovo parent Legend Holdings Corporation as Executive Vice President responsible for the overall business operations and overseeing its direct investment business. He serves on the board of the China Social Entrepreneur Foundation. Mr. Wu holds a Doctor of Philosophy degree in Biochemistry from Harvard University and a Bachelor of Science degree in Molecular Biology from University of Science and Technology of China.

Management Committees of Temasek

Temasek Holdings (Private) Limited's CEO is assisted in Temasek's day to day policy implementation and operational decisions by the following management committees:

- The Senior Divestment and Investment Committee
- The Senior Management Committee
- The Strategy, Portfolio and Risk Committee

The Senior Divestment and Investment Committee reviews, monitors and manages the overall investment portfolio on an ongoing basis. It has the flexibility of maintaining, increasing, reducing or divesting Temasek's holdings in companies or making new investments up to the authority level delegated by the Board of Directors.

The Senior Management Committee reviews and sets overall management and organisational policies. These include internal controls and the implementation of Temasek's valuation policy approved by the Audit Committee, as well as Temasek's derivatives framework.

The Strategy, Portfolio and Risk Committee reviews macro-economic and global political, technology and social trends that provide the context in which new opportunities and risks in existing and new markets may arise. It reviews the risk tolerance framework to keep it relevant, as well as value creation opportunities.

The Issuer

The Issuer is indirectly, through an Investment Holding Company, a wholly-owned subsidiary of Temasek and was incorporated under the laws of Singapore on 27 August 2015. It is an Investment Holding Company whose principal activity is financing. The Issuer intends to provide the net proceeds arising from Notes issued under the Programme to Temasek and its Investment Holding Companies to fund their ordinary course of business, unless otherwise disclosed in the relevant Pricing Supplement. The Issuer's principal executive office is located at 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891. The issued share capital of the Issuer is S$5,000,000 comprising 5,000,000 ordinary shares issued, which are indirectly, through an Investment Holding Company, held by Temasek.

The Issuer will not publish financial statements on an interim basis or otherwise (except for such statements, if any, which the Issuer is required by Singapore law to publish).

The following table sets forth the name, age and position of each member of the Board of Directors of the Issuer as at 16 July 2018:

Name	Age	Position
Chia Song Hwee	55	Director
Goh Bee Kheng	51	Director
Leong Wai Leng	62	Director
Pek Siok Lan	53	Director
Rohit Sipahimalani	51	Director

The address of each of the Directors of the Issuer, in their capacity as Directors of the Issuer, is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

The establishment of the Programme was approved by the Board of Directors of the Issuer on 5 September 2016.

Capitalisation

The following table sets forth the Issuer's capitalisation as at 31 March 2018. The information has been extracted from the financial statements of the Issuer as at 31 March 2018.

	As at 31 March 2018
	(S$)
Long term debt(1)	
Total long term debt	—
Total equity	
Equity attributable to equity holder of Issuer	2,998,364
Capitalisation(1)	2,998,364

Note:

(1) As at the date of this Offering Circular, the Issuer has not issued any Notes. The long term debt and capitalisation of the Issuer will increase if and when the Issuer issues Notes under the Programme.

Selected financial data for the Issuer

The following tables set forth selected financial data for the Issuer as at and for the years ended 31 March 2017 and 2018. The selected financial information for the Temasek Group as at and for the years ended 31 March 2016, 2017 and 2018 is set out in "Selected financial and other data — Selected financial data for the Temasek Group".

The financial statements of the Issuer have been prepared in accordance with FRS. Had the financial statements and other financial information been prepared in accordance with IFRS, the results of operations and financial position may have been materially different. See "Risk factors — Considerations related to the Issuer and Temasek — The Temasek Group's accounting and corporate disclosure standards may differ from those in other countries".

Selected statement of comprehensive income data

	Year ended 31 March	
	2017	2018
	(S$)	
Administrative expenses	(477,137)	(1,473,302)
Loss before income tax	(477,137)	(1,473,302)
Income tax expense	—	—
Loss for the year, representing total comprehensive income for the year	(477,137)	(1,473,302)

Selected balance sheet data

	As at 31 March	
	2017	2018
	(S$)	
Current assets		
Prepaid expenses	738,981	—
Loan to related company	4,128,409	3,147,517
Total assets	4,867,390	3,147,517
Equity		
Share capital	5,000,000	5,000,000
Accumulated losses	(528,334)	(2,001,636)
Total equity	4,471,666	2,998,364
Current liability		
Accrued operating expenses	395,724	149,153
Total liability	395,724	149,153
Total equity and liability	4,867,390	3,147,517

The Issuer did not prepare a cash flow statement for the years ended 31 March 2017 and 2018 as the Issuer did not have cash and bank balances and all receipts and payments were handled by the related company of the Issuer during the year.

Others

Save as disclosed in this Offering Circular, the Issuer is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offering Circular or the relevant Product Highlights Sheet (if any) to be not necessarily indicative of the future operating results or financial condition of the Issuer in respect of the current financial year.

Save as disclosed in this Offering Circular, no event has occurred from 31 March 2018 to 31 July 2018, being the latest practicable date prior to the issue of this Offering Circular, which may have a material effect on the ability of the Issuer or the Temasek Group as a whole to meet its payment obligations under the Notes.

Terms and Conditions of the Notes

*The following is the text of the terms and conditions (the "**Conditions**") of the Notes that, save for the words in italics and, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or Global Certificate representing each series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one series only, not to all Notes that may be issued under the Programme.*

Only Notes which fall within the definition of "seasoned debenture" in the Securities and Futures (Offers of Investments) (Exemption for Offers of Post-Seasoning Debentures) Regulations 2016 (the "Exemption Regulations for Post-Seasoning Debentures") may be seasoned for trading by Retail Investors under the Seasoning Framework. Only Notes which fall within the definition of "straight debenture" in the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016 (the "Exemption Regulations for Straight Debentures") may be offered pursuant to the Exemption Regulations for Straight Debentures.

The Notes are constituted by a Trust Deed dated 3 August 2018 (as may be further amended or supplemented as at the date of issue of the Notes (the "Issue Date"), the "Trust Deed") among Temasek Financial (IV) Private Limited (the "Issuer"), Temasek Holdings (Private) Limited (the "Guarantor") and DBS Trustee Limited (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "Agency Agreement") dated 3 August 2018 has been entered into in relation to the Notes among the Issuer, the Guarantor, the Trustee, DBS Bank Ltd. as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Issuing and Paying Agent", the "Paying Agents" (which expression shall include the Issuing and Paying Agent), the "Registrar", the "Transfer Agents" (which expression shall include the Registrar) and the "Calculation Agent(s)". Copies of the Trust Deed and the Agency Agreement are available for inspection free of charge during usual business hours at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the receipts for the payment of instalments of principal (the "Receipts") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, "Tranche" means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in bearer form ("Bearer Notes") or in registered form ("Registered Notes"), in each case in the Specified Denomination(s) shown hereon. The Issuer may, without the consent of the Trustee, the Noteholders or Couponholders, at any time after any issue of the Notes, (i) reduce the denomination of such Notes into smaller divisible amounts and/or (ii) remove or reduce the minimum denomination requirement in respect of such Notes; and notwithstanding Condition 11 and Clause 15 of the Trust Deed and all other provisions in these Conditions and the Trust Deed, the Issuer may, without the consent of the Trustee, the Noteholders or Couponholders, make any and all modifications to these Conditions and the Trust Deed it deems necessary or appropriate to implement the foregoing and the Trustee shall, upon request of the Issuer, consent to all such modifications. Any such reduction, removal or modification shall be binding on all Noteholders and all Couponholders and, if the Trustee so requires, shall be notified to the Noteholders as soon as practicable. Notes in bearer form may be issued pursuant to a supplemental trust deed that provides for the issuance of bearer notes and shall be in a form agreed between the Issuer, the Guarantor and the Trustee and in compliance with United States tax and other laws.

All Registered Notes shall have the same Specified Denomination. Subject to the right of the Issuer to re-denominate and/or remove the minimum denomination in Condition 1, Notes (except for Notes which are intended to be "seasoned debentures" (as defined in the Exemption Regulations for Post-Seasoning Debentures) or intended to be offered pursuant to the Exemption Regulations for Straight Debentures) will be (unless otherwise specified in the relevant Pricing Supplement) issued in minimum denominations of S$200,000 (or its equivalent in another currency) and integral multiples of S$1,000 (or its equivalent in another currency) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Such Notes which are listed on SGX-ST will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time.

Subject to the right of the Issuer to re-denominate and/or remove the minimum denomination in Condition 1, Notes which are intended to be "seasoned debentures" will initially be (unless otherwise specified in the relevant Pricing Supplement) issued in minimum denominations of S$200,000 (or its equivalent in another currency) and integral multiples of S$1,000 (or its equivalent in another currency) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Such Notes will be listed and traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time. If seasoned for retail trading, after the end of the seasoning period (as defined in the Exemption Regulations for Post-Seasoning Debentures), such Notes will (unless otherwise specified in the relevant Pricing Supplement and without the consent of the Trustee, the Noteholders or Couponholders) be re-denominated to denominations of S$1,000 (or its equivalent in the relevant currency), subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Such Notes will then be traded on the SGX-ST in a board lot size of S$1,000 (or its equivalent in the relevant currency) or such other amount as may be allowed or required from time to time.

Notes which are offered pursuant to the Exemption Regulations for Straight Debentures will be (unless otherwise specified in the relevant Pricing Supplement) issued in minimum denominations of S$1,000 (or its equivalent in another currency), subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Such Notes will be listed and traded on the SGX-ST in a minimum board lot size of S$1,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time.

This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

For so long as any of the Notes is represented by (i) a Global Note and such Global Note is held by a common depository for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg") and/or The Central Depository (Pte) Limited (the "Depository") or (ii) a Global Certificate and such Global Certificate is issued in the name of a common depository for Euroclear and Clearstream, Luxembourg and/or the Depository, each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the Registrar, all other agents of the Issuer, the Guarantor and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the registered holder of the Global Certificate shall be treated by the Issuer, the Issuing and Paying Agent, the Registrar, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note or, as the case may be, the Global Certificate (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

2 Transfers of Registered Notes

(a) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(b) **Exercise of Options or Partial Redemption in Respect of Registered Notes**: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(a) or (b) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined below) or Purchase Notice (as defined below) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice, Purchase Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice, Purchase Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any date on which payment is due.

(f) **Consent:** Personal data or information provided to the Issuer, the Guarantor or the Trustee or their agents (whether directly from a person acquiring an interest in the Notes or a Noteholder or indirectly through their agents or otherwise, and whether or not pursuant to a request from the Issuer, the Guarantor or the Trustee or their agents), and personal data or information relating to (if any) employees, officers, shareholders or beneficial owners of any such person acquiring an interest in the Notes or the Noteholder provided by such person or the Noteholder or otherwise collected by or on behalf of the Issuer, the Guarantor or the Trustee in connection with such acquisition or any other matter in relation to the Notes (collectively the "**Data**") may be held by or on behalf of the Issuer, the Guarantor, the Trustee, their Affiliates, their respective agents (each a "**Recipient**") and/or any third party engaged by the Recipient to provide administrative, computer or other services or products. Each of the foregoing persons may collect, use, disclose, process and transfer such Data so as to enable each of the aforesaid persons to: (i) administer, carry out their respective duties and obligations (including, without limitation, operational, administrative or risk management requirements), or to enforce their respective rights and remedies, in connection with any matter in relation to the Notes or any local or foreign order, rule, regulation or law applicable to the respective parties; (ii) implement any corporate action related to the Notes; (iii) carry out internal analysis; (iv) carry out any investor relations communication; and (v) comply with requests from any local or foreign regulator or authority or the Rating Agencies. By acceptance of an interest in a Note, each such person and each Noteholder consents to all such use and warrants that it has obtained legally valid consents from all relevant individuals to allow the Recipients and those third parties to collect, use, disclose, process and/or transfer Data as described above, and also agrees to provide written evidence of such consents upon reasonable request from a Recipient.

3 Guarantee and Status

(a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons. Its obligations in that respect (the "Guarantee") are contained in the Trust Deed.

(b) **Status of Notes and Guarantee:** The Notes and the Receipts and Coupons constitute direct, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and at least *pari passu* with all other existing and future unsecured and unsubordinated obligations of the Issuer, other than with respect to obligations which may be preferred by law or rank senior by operation of law. The Guarantee (as defined in the Trust Deed) will constitute a direct, unconditional, unsecured and unsubordinated obligation of the Guarantor and will rank at least *pari passu* with all existing and future, unsecured and unsubordinated obligations of the Guarantor (other than with respect to obligations which may be preferred by law or rank senior by operation of law) and senior to all existing and future subordinated obligations of the Guarantor.

4 Interest and other Calculations

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h).

(b) **Interest on Floating Rate Notes, Index Linked Interest Notes and Variable Rate Notes**:

(i) *Interest Payment Dates:* Each Floating Rate Note, Index Linked Interest Note and Variable Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(i). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date, provided that the Agreed Yield (as defined in Condition 4(b)(v)) in respect of any Variable Rate Note for any Interest Period (as defined below) shall be payable on the first day of that Interest Period.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon

(y) the Designated Maturity is a period specified hereon and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes where the Benchmark is not specified as being SIBOR or SOR

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Benchmark which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Benchmark from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

(y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Benchmark is LIBOR, the principal London office of each of the Reference Banks or, if the Benchmark is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Benchmark if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time), or if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time) or, if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark by leading banks in, if the Benchmark is LIBOR, the London inter-bank market or, if the Benchmark is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Benchmark, at which, if the Benchmark is LIBOR, at approximately 11.00 a.m. (London time) or, if the Benchmark is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Benchmark is LIBOR, the London inter-bank market or, if the Benchmark is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Spread or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Spread or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Spread or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Screen Rate Determination for Floating Rate Notes where the Benchmark is specified as being SIBOR or SOR

Each Floating Rate Note where the Benchmark is specified as being SIBOR (in which case such Note will be a SIBOR Note) or SOR (in which case such Note will be a Swap Rate Note) bears interest at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.

(x) The Rate of Interest payable from time to time in respect of each Floating Rate Note under Condition 4(b)(iii)(C) will be determined by the Calculation Agent on the basis of the following provisions:

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

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof);

(bb) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent;

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

(dd) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

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

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "SGD SWAP OFFER" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);

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

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption "SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and under the column headed "USD SIBOR" (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Spot Rate = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption "SGD SPOT AND SWAP OFFER RATES" and under the column headed "SPOT" (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or Discount	=	the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear on the Reuters Screen ABSIRFIX06-7 Pages under the caption "SGD SPOT AND SWAP OFFER RATES" (or such other page as may replace the Reuters Screen ABSIRFIX06-7 Pages for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and
T	=	the number of days in the Interest Period concerned; and

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Calculation Agent);

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

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR	=	the rate per annum at which United States dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;
Spot Rate	=	the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore interbank market at or about the Relevant Time on the relevant Interest Determination Date;
Premium	=	the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market;
Discount	=	the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore interbank market; and
T	=	the number of days in the Interest Period concerned;

(dd) if on any Interest Determination Date, two but not all the Reference Banks provide the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate for the relevant Interest Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and

(ee) if on any Interest Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant

Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

(iv) *Rate of Interest for Index Linked Interest Notes*: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified thereon.

(v) *Rate of Interest for Variable Rate Notes*

(A) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (v). The interest payable in respect of a Variable Rate Note for each Interest Period relating to that Variable Rate Note, which shall be payable on the first day of such Interest Period, is referred to in this Conditions as the "Agreed Yield" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "Rate of Interest".

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

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

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

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

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

(y) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the fifth Business Day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (x) above, the Rate of Interest for such variable Rate Note for such Interest Period shall automatically be the Fall Back Rate.

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

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

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

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

(E) The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 4(iii)(B) or 4(iii)(C), as the case may be, above (mutatis mutandis) and references therein to "Rate of Interest" shall mean "Fall Back Rate".

If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(b)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).

(d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.

(g) **Spread, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**:

(i) If any Spread is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest

Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Spread, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) **Calculations:** The amount of interest payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the "Calculation Amount") in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**: The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information as soon as possible after their determination but in no event later than the fourth Business Day after such determination. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period to be notified to the Noteholders in accordance with Condition 16 as soon as possible after their determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Trustee pursuant to this Condition 4(j) shall (in the absence of manifest error) be final and binding upon all parties.

(k) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Business Day" means:

(i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

(ii) in the case of euro, a day on which the TARGET System is operating (a "TARGET Business Day") and/or

(iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "Calculation Period"):

(i) if "Actual/Actual" or "Actual/Actual — ISDA" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(iv) if "30/360", "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(v) if "30E/360" or "Eurobond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(vi) if "30E/360 (ISDA)" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; and

(vii) if "Actual/Actual-ICMA" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"Determination Date" means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

"euro" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"Interest Commencement Date" means the Issue Date or such other date as may be specified herein.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in the relevant Financial Centre for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"ISDA Definitions" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon and, in the case of a determination of SIBOR or SOR, the principal Singapore office of three major banks in the Singapore inter-bank market.

"Reference Rate" means the rate specified as such hereon.

"Relevant Dealer" means the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded an agreement for the issue of Notes pursuant to the Programme Agreement.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified hereon.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the relevant Financial Centre specified hereon or, if none is specified, the local time in the relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the relevant Financial Centre and, for the purpose of this definition "local time" means, with respect to the Euro-zone as a relevant Financial Centre, Central European Time.

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(l) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee or an Extraordinary Resolution of holders of the Notes) appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Singapore office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5 Redemption, Purchase and Options

(a) **Redemption by Instalments and Final Redemption**:

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless otherwise provided hereon and unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption**:

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons**

Unless otherwise specified hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note or an Indexed Linked Note) or, at any time (if this Note is neither a Floating Rate Note or an Indexed Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) (the "Note Optional Tax Redemption") at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Amounts (as described under Condition 7) as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, (or any taxing authority of any taxing jurisdiction to which the Issuer, or the Guarantor, as the case may be, is or has become subject and in respect of which it has given such undertaking as referred to above in this Condition) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) an opinion of independent tax counsel of recognised standing in Singapore or a copy of any judicial decision or regulatory determination or ruling, in each case to the effect that the Issuer (or the Guarantor, as the case may be) would be required to pay Additional Amounts on the next payment in respect of such Notes (or the Guarantee) as a result of a change, amendment, application or interpretation described above and (ii) a certificate signed by two executive officers (being any of the Chief Executive Officer, the Chief Financial Officer, the Secretary, a Director or any other person authorised by the Board of Directors) of the Issuer (or the Guarantor, as the case may be) to the effect that, in the judgment of the Issuer (or the Guarantor, as the case may be), such obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such opinion without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out above without liability to any person in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) **Redemption at the option of the Issuer**

Unless otherwise specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or some of the Notes on the date(s) specified thereon (the "Notes Optional Redemption Date"). Any such redemption of Notes shall be at the Optional Redemption Amount specified hereon together with interest accrued to the date fixed for redemption.

Unless otherwise specified hereon, the Optional Redemption Amount shall be equal to the greater of (i) the principal amount of the Notes being redeemed and (ii) the amount determined by discounting the principal amount of the Notes plus all required remaining scheduled interest payments due on such Notes at a Make Whole Call Reference Rate (as defined in the relevant Pricing Supplement) plus a spread specified in the relevant Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(e) **Redemption at the option of holders of Notes:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) **Purchase at the option of holders of Variable Rate Notes**: If VRN Purchase Option is specified hereon, each holder of Variable Rate Notes shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Variable Rate Notes (together with all unmatured Receipts and Coupons and unexchanged Talons) to be purchased with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option purchase notice ("Purchase Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(g) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(h) **Purchases:** The Issuer, the Guarantor and their subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(i) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(j) **Trustee Not Obliged to Monitor:** None of the Trustee or the Agents shall be under any duty to determine, calculate or verify the Early Redemption Date or be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and will not be responsible to the Noteholders or Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 5, it shall be entitled to assume that no such event or circumstance exists.

6 Payments and Talons

(a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank.

"Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes**:

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date") provided, however, that interest payable on any interest bearing Note at Maturity or redemption shall be payable in immediately available funds to the person to whom principal shall be payable. Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register.

Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, including Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the U.S. Internal Revenue Code of 1986, as amended, or pursuant to any agreements and any official pronouncements with respect thereto or any inter-governmental agreement or legislation or other guidance adopted in connection therewith ("FATCA"), but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent having a specified office in Singapore, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons**:

(i) Upon the due date for redemption, Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes) should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Redemption Amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as “Financial Centres” hereon and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law (including under FATCA). In that event, in relation to Notes denominated in Singapore dollars, the Issuer or, as the case may be, the Guarantor will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of such Notes for, or on account of, any such taxes or duties, and, in relation to Notes which are not denominated in Singapore dollars, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts (the “Additional Amounts”) as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Note, Receipt or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented), where presentation is required, for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or

(c) **Failure to comply with requirements:** which would not be payable or due but for the failure of the holder or beneficial owner of such Note, Receipt or Coupon to comply with any certification, identification or other reporting requirements of Singapore concerning the nationality, residence, identity or other attributes of such holder or beneficial owner required in connection with a claim of eligibility for avoidance or reduction of withholding or deduction of tax under the laws of Singapore, if requested in writing addressed to such holder or beneficial owner by the Issuer to comply with such requirements; or

(d) **Estate, inheritance, gift, sales, transfer or similar taxes:** where such deduction or withholding is imposed in respect of any estate, inheritance, gift, sales, transfer or similar taxes of a relevant holder or beneficial owner of such Note; or

(e) **Fiduciary or partnership or person other than the sole beneficial owner of such payment:** to, or to a third party on behalf of, a holder of such Note, Receipt or Coupon if such holder is a fiduciary or partnership or person other than the sole beneficial owner of such payment to the extent that no deduction or withholding would have been imposed on such payment had such holder been the sole beneficial owner of such Note, Receipt or Coupon, as applicable; or

(f) **Foreign Account Tax Compliance Act:** where such deduction or withholding is imposed or required to be withheld under Sections 1471 to 1474 (or any successor provisions or amendments thereof) of the U.S. Internal Revenue Code of 1986, as amended, or pursuant to any agreements and any official pronouncements with respect thereto or any inter-governmental agreement or legislation (or rules or practices) adopted in connection therewith; or

(g) any combination of items (a) through (f) above.

As used in these Conditions, "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any Additional Amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date in respect of them.

9 Events of Default

If any of the following events ("Events of Default") occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to its being indemnified and/or secured to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

(a) failure to pay any interest on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or

(b) failure to pay the Redemption Amount on any of the Notes when due and payable, and continuance of such failure for a period of 14 days; or

(c) failure by the Issuer or the Guarantor to perform any other covenant of the Issuer or the Guarantor and continuance of such failure for a period of 60 days after written notice of such default shall have been given to the Issuer by the Trustee; or

(d) (i) the entry by a court having jurisdiction in the premises of a decree or order for relief in respect of the Issuer or the Guarantor in any voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation, winding up (other than a reorganisation or winding up under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), sequestration or other similar law or (ii) the entry by a court having jurisdiction in the premises of a decree or order adjudging the Issuer or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganisation, arrangement, adjustment or composition of or in respect of the Issuer or the Guarantor under any applicable law (other than any reorganisation, arrangement, adjustment or composition for the purposes of, or in connection with, a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor or ordering the winding up or liquidation of the affairs of the Issuer or the Guarantor (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency), and any such decree or order for relief or any such other decree or order shall not have been discharged or stayed within 60 days; or

(e) commencement by the Issuer or the Guarantor of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Issuer or the Guarantor to the entry of a decree or order for relief in respect of the Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Issuer or the Guarantor or the filing by the Issuer or the Guarantor of a petition or answer or consent seeking reorganisation (other than a reorganisation, winding up or liquidation under or in connection with a scheme of arrangement, amalgamation or reconstruction not involving bankruptcy or insolvency) or relief under any such applicable law, or the consent by the Issuer or the Guarantor to the filing of such petition or to the appointment or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Issuer or the Guarantor, or the making by the Issuer or the Guarantor of an assignment for the benefit of creditors, or the taking of action by the Issuer or the Guarantor in furtherance of any such action; or

(f) the failure by the Issuer or the Guarantor to pay when due and payable, after the expiration of any applicable grace period, any portion of the principal of, or involuntary acceleration of the maturity of, indebtedness for borrowed money of or guaranteed by the Issuer or the Guarantor having an aggregate principal amount outstanding in excess of US$100,000,000 (or its equivalent in another currency); or

(g) the Guarantee ceasing to be in full force or effect or the Guarantor denying or disaffirming in writing its obligations under the Guarantee, provided that in the case of paragraphs (d) and (e), the Notes shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest without any act by the Trustee or the Noteholders.

10 Consolidation, Merger and Sale of Assets and Substitution

Each of the Issuer and the Guarantor has agreed in the Trust Deed that it may not consolidate with or merge into any other Person (as defined below) or permit any other Person to consolidate with or merge into it or directly or indirectly convey, transfer, sell or lease or otherwise dispose of all or substantially all of its property and assets to any Person unless:

(a) any Person formed by such consolidation or into which the Issuer or the Guarantor, as the case may be, is merged or to whom the Issuer or the Guarantor, as the case may be, has conveyed, transferred, sold or leased all or substantially all its properties and assets (the "Successor Entity") is a corporation, partnership or trust organised and validly existing under the laws of the jurisdiction where it is organised, and such Successor Entity shall expressly assume by a supplemental trust deed all of the Issuer's or the Guarantor's, as the case may be, obligations under the Notes and the Trust Deed (including any obligation to pay any Additional Amounts as provided in Condition 7);

(b) immediately after giving effect to the transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing;

(c) any such Successor Entity not organised under the laws of the Republic of Singapore shall expressly agree by a supplemental trust deed that all payments pursuant to the Notes or the Guarantee, as the case may be, in respect of principal of and premium and interest on the Notes shall be made without deduction or withholding for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the jurisdiction of organisation or tax residency of such Successor Entity or any political subdivision or taxing authority thereof or therein, unless such taxes, duties, assessments or governmental charges are required by such jurisdiction or any such subdivision or authority to be withheld or deducted, in which case such Successor Entity will, in relation to Notes which are not denominated in Singapore dollars, pay such additional amounts of, or in respect of the principal of and premium and interest on such Notes ("Successor Additional Amounts") as will result (after deduction of such taxes, duties, assessments or governmental charges and any additional taxes, duties, assessments or governmental charges payable in respect of such) in the payment to the holders of such Notes of the amounts which would have been payable in respect of such Notes had no such withholding or deduction been required, subject to the same exceptions as apply with respect to the payment by the Issuer or the Guarantor, as the case may be, of Additional Amounts in respect of the Notes (inserting references to the taxing jurisdiction where appropriate), and provided that such Successor Entity shall not have the right to redeem the Notes pursuant to Condition 5(c) in respect of such Successor Additional Amounts unless (A) the obligation to pay such Successor Additional Amounts arises as a result of any change in, or amendment to, the laws or regulations of such Successor Entity's jurisdiction of organisation or any political subdivision or taxing authority thereof or therein, or any change in the general application or official or general interpretation of such laws or regulations, which change or amendment is proposed and becomes effective after the date such Successor Entity assumes the obligations of the Issuer or the Guarantor, as the case may be, under the Trust Deed and the Notes, (B) such obligation to pay Successor Additional Amounts cannot be avoided by such Successor Entity taking reasonable measures available to it and (C) all other requirements contained in the Trust Deed relating to the redemption of the Notes shall have been satisfied; and

(d) the Issuer or such Successor Entity shall have delivered to the Trustee an officers' certificate and opinion of counsel, each stating that such transaction and such supplemental trust deed comply with this Condition 10 and that all conditions precedent provided for in this Condition 10 relating to such transaction have been complied with.

The Issuer and the Guarantor have agreed in the Trust Deed that upon any consolidation by the Issuer or the Guarantor with or merger or amalgamation by the Issuer or the Guarantor into any other entity, in each case, where the Issuer or the Guarantor, as the case may be, is not the surviving or resulting entity, or any conveyance, transfer, sale, assignment or lease, in one transaction or a series of transactions, directly or indirectly, of all or substantially all of the assets of the Issuer or the Guarantor, or any declaration by the Issuer that it acts as a trustee of all or substantially all of its assets for any Person, in each case in compliance with this Condition 10, the Successor Entity formed by such transaction or declaration shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer or the Guarantor, as the case may be, under the Trust Deed with the same effect as if such successor Person had been named as the Issuer therein, and the Issuer (which term shall for this purpose mean the Person named as the "Issuer" or the "Guarantor", as the case may be, in the first paragraph of the Trust Deed or any successor Person which shall theretofore become such in the manner described in this Condition to the extent that there exists a subsequent successor Person who shall substitute therefor in accordance with this Condition 10), except in the case of a lease, shall be discharged of all obligations and covenants under the Trust Deed and the Notes and may be dissolved and liquidated.

In this Condition 10, "Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

11 Meetings of Noteholders, Modification and Waiver

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. If the Trustee receives a written request by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding and is indemnified and/or secured to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of the Noteholders. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (ix) to modify or cancel the Guarantee, in which case the necessary quorum at the meeting or any adjourned meeting shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

"Extraordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.

These Conditions may be amended, modified or varied in relation to any series of Notes by the terms of the relevant Pricing Supplement in relation to such series.

(b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust

Deed that is of a formal, minor or technical nature or is made to correct a manifest error or that is otherwise permitted by the Trust Deed, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, such modification shall be notified to the Noteholders as soon as practicable.

(c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require from the Issuer nor shall any Noteholder or Couponholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

12 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

14 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or Agent may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides. The consolidation of any additional Bearer Notes issued under the D Rules into a series of previously issued Bearer Notes with the same Common Code or ISIN can occur only upon (i) exchange of interests in a Temporary Global Note for interests in a Permanent Global Note or Definitive Notes and (ii) certification of non-U.S. beneficial ownership in accordance with rules in substantially the same form as U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3) for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended.

16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be the *Business Times*) (or, if in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore) or so long as the Notes are listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), published on the website of the SGX-ST (www.sgx.com). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made, in such newspaper or on the website of the SGX-ST as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

Until such time as any Definitive Notes or Definitive Certificates are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or The Central Depository (Pte) Limited (the "Depository") or, as the case may be, the Global Certificate is or are issued in the name of a common depository for Euroclear and Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, notice will in any event be published in accordance with the previous paragraphs.

Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17 Contracts (Rights of Third Parties) Act

No person shall have the right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

18 Governing Law and Jurisdiction

(a) **Governing Law:** The Trust Deed, the Notes, the Receipts, the Coupons, the Talons and the Guarantee are governed by, and shall be construed in accordance with, Singapore law.

(b) **Jurisdiction:** The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons or the Guarantee may be brought in such courts.

Form of Notes

The Notes of each series will be in bearer or in registered form as specified in the relevant Pricing Supplement.

Bearer Notes

Each series of Bearer Notes may be represented either by a Temporary Global Note or a Permanent Global Note that will be deposited on the issue date thereof with CDP or a common depositary on behalf of Euroclear and Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream. Beneficial interests in a Temporary Global Note will be exchangeable for interests in a Permanent Global Note from the Exchange Date. Interests in a Permanent Global Note may be exchanged for Definitive Notes only in the limited circumstances as described therein and summarised below.

While any Bearer Note that is issued in compliance with the D Rules is represented by a Temporary Global Note, payments of principal, premium and interest (if any) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owner of an interest in such Note is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury Regulations, has been received by CDP, Euroclear and/or Clearstream and/or any other such depositary, as applicable, and such clearing agent or depositary, as the case may be, has given a like certification (based on the certifications it has received) to the relevant Trustee or Agent, as the case may be.

From the Exchange Date, interests in such Temporary Global Note will be exchangeable (free of charge) upon request as described therein for interests in a Permanent Global Note without receipts, interest coupons or talons, and in the case of Bearer Notes issued in compliance with the D Rules, against certification of beneficial ownership as described in the immediately preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, premium or principal due on or after the Exchange Date.

From the Exchange Date, a Permanent Global Note will be exchangeable, in whole and not in part, for Definitive Notes (i) if the Permanent Global Note was issued in respect of a D Rules Note or if such exchange is specifically permitted by the relevant Pricing Supplement, at the request of the holder, (ii) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so (iii) in the case of a Permanent Global Note deposited with CDP, CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or CDP has announced an intention permanently to cease business and no alternative clearing system is available or CDP has notified the Issuer that it is unable or unwilling to act as a depositary for the Notes and to continue performing its duties set out in the relevant Depository Services Agreement as amended, varied or supplemented from time to time and no alternative clearing system is available, or (iv) an event of default, enforcement event or analogous event entitling a securities account holder or the Trustee to declare the Notes to be due and payable as provided in the Terms and Conditions of the Notes has occurred and is continuing.

Each series of Bearer Notes shall comply with the D Rules unless otherwise stated in the relevant Pricing Supplement. The following legend will appear on the face of all Global Notes, Definitive Notes, receipts, interest coupons and talons thereon (or in the book or record where the Bearer Notes are held in book-entry form):

> "ANY UNITED STATES PERSON (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED."

Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code, generally provide that U.S. beneficial owners, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts, interest coupons or talons thereon and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts, interest coupons or talons thereon.

Registered Notes

Unless otherwise provided with respect to a particular series of Registered Notes, Registered Notes of each series will be represented by interests in a Global Certificate, which may be deposited with CDP or with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the date of issue and completion of the distribution of each series of Notes, as certified by the relevant Dealers, in the case of a non-syndicated issue, or the lead manager(s), in the case of a syndicated issue (the "Distribution Compliance Period"), beneficial interests in a Global Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person and may be held only through CDP or Euroclear and Clearstream, as the case may be. A Global Certificate will be exchangeable for Definitive Certificates only in limited circumstances as more fully described in "Annex A — Global clearance and settlement".

No beneficial owner of an interest in a Global Certificate will be able to exchange or transfer that interest, except in accordance with the applicable procedures of CDP, Euroclear and/or Clearstream, in each case, to the extent applicable.

Security Codes

Bearer Notes shall be assigned (as applicable) a Common Code and an ISIN. Registered Notes will be assigned (as applicable) a Common Code, ISIN and CUSIP number. If a further issuance of Notes of the same series of Notes is issued, the Trustee or Agent, as the case may be, shall arrange that the Notes of such further issuance shall be assigned (as applicable) a CUSIP number, Common Code and ISIN that are different from the CUSIP number, Common Code and ISIN, as the case may be, assigned to existing Notes of such series or to Notes of any other series until the end of the Distribution Compliance Period. At the end of the Distribution Compliance Period, the CUSIP number, Common Code and ISIN, as the case may be, thereafter applicable to the Notes of the relevant series will be notified by the Trustee or Agent, as the case may be, to the relevant Dealers. The consolidation of any additional Bearer Notes issued under the D Rules into a series of previously issued Bearer Notes with the same Common Code or ISIN can occur only upon (i) exchange of interests in a Temporary Global Note for interests in a Permanent Global Note or Definitive Notes and (ii) certification of non-U.S. beneficial ownership in accordance with rules in substantially the same form as U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3) for purposes of Section 4701 of the U.S. Internal Revenue Code.

Certain Singapore tax considerations

Singapore taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retrospective basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any Noteholder or of any person acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates. Prospective investors are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor nor any other persons involved in this Offering Circular accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and other payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 22%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The above withholding tax rates may be reduced by applicable tax treaties, subject to conditions.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from Singapore income tax, including:

- interest from debt securities derived on or after 1 January 2004;
- discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

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

In addition, as the Programme as a whole is arranged by the Arranger, which is a Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes (the "Relevant Notes") which are debt securities issued under the Programme during the period from the date of this Offering Circular to 31 December 2023 will be, pursuant to the ITA and the MAS Circular FDD Cir 11/2018 entitled "Extension of Tax Concessions for Promoting the Debt Market" issued by MAS on 31 May 2018, QDS for the purposes of the ITA, to which the following treatment shall apply:

- subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "Qualifying Income") from the Relevant Notes, derived by a Noteholder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore, or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- subject to:

  (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

  (ii) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

  Qualifying Income derived from the Relevant Notes is not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- if during the primary launch of any tranche of Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as "QDS"; and
- even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the term of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Relevant Notes held by:

  (i) any related party of the Issuer; or

  (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

  shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

> "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
>
> "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
>
> "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "related party", "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost (i.e the Qualifying Income) in respect of the Relevant Notes without deduction or withholding for tax under Section 45 and Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital gains

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

In addition, Noteholders who apply or are required to apply FRS 39 *Financial Instruments: Recognition and Measurement* or FRS 109 *Financial Instruments* for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* or FRS 109 *Financial Instruments* even though no sale or disposal of the Notes is made. See "Adoption of FRS 39 *Financial Instruments: Recognition and Measurement* and FRS 109 *Financial Instruments* for Singapore income tax purposes".

Adoption of FRS 39 Financial Instruments: Recognition and Measurement and FRS 109 Financial Instruments for Singapore income tax purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 *Financial Instruments: Recognition and Measurement* (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 *Financial Instruments: Recognition and Measurement* for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 — *Financial Instruments: Recognition and Measurement*".

FRS 109 *Financial Instruments* is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39 *Financial Instruments: Recognition and Measurement*. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 *Financial Instruments* for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 *Financial Instruments*, subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Plan of distribution

Summary of the Programme Agreement

Subject to the terms and on the conditions contained in the Programme Agreement, Notes offered to Specified Investors only will be offered from time to time for sale through the Dealers and may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealers. The Programme Agreement also provides for such Notes to be issued in syndicated series that are underwritten by two or more Dealers. In relation to a series of Straight Notes or Post-Seasoning Notes, pursuant to the Programme Agreement, one or more Dealers may agree with the Issuer and the Guarantor to procure subscribers for such Notes which are offered (or intended to be offered) to, *inter alia*, Retail Investors on an underwritten basis. The Programme Agreement further provides for the resignation of existing Dealers and the appointment of additional Dealers.

The Issuer will pay each relevant Dealer a fee as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Guarantor have, jointly and severally, agreed to indemnify the Arranger and the Dealers in connection with the offer and sale of such Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to purchase Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers may from time to time purchase and sell Notes in the secondary market, but they are not obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, the Dealers may make a market in the Notes.

Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. In connection with the offer and sale of each series of Notes, the relevant Pricing Supplement will indicate whether or not and, if so, on which stock exchange(s) the Notes will be listed, provided that for so long as the rules of the SGX-ST, the Exemption Regulations for Straight Debentures and/or the Exemption Regulations for Post-Seasoning Debentures (as the case may be) require, all issues of Straight Notes, Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework and Post-Seasoning Notes are to be listed on the SGX-ST. No assurances can be given that the Programme will qualify for listing on a stock exchange (other than the SGX-ST). In addition, no assurances can be given that if the Programme qualifies for listing on a stock exchange and the relevant Pricing Supplement indicates that such series of Notes will be listed on a stock exchange, that such Notes will trade from their Issue Date until maturity (or early redemption).

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

Certain matters relating to the Dealers

Some of the Dealers and their affiliates have, directly or indirectly, performed investment and/or commercial banking or financial advisory or trustee services for Temasek, the Issuer or their affiliates, for which they may have received customary fees and commissions, and they expect to provide these services to Temasek, the Issuer and their affiliates in the future, for which they may also receive customary fees and commissions.

The Dealers or certain of their affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution. The Dealers or their affiliates may purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of Temasek, the Issuer or their respective subsidiaries, affiliates or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of any Notes issued pursuant to the terms of the Programme (notwithstanding that such selected counterparties may also be purchasers of the Notes).

As at 31 March 2018, the Temasek Group had an effective interest of 29% and 16% of DBS and Standard Chartered, respectively. See "Business of Temasek — Major Investments".

DBS Bank Ltd., which is the Arranger and one of the Dealers under the Programme, is a wholly-owned subsidiary of DBS. DBS Trustee Limited, the Trustee, is a wholly-owned subsidiary of DBS Bank Ltd.

Standard Chartered is the ultimate holding company of each of Standard Chartered Bank and Standard Chartered Bank (Singapore) Limited, each of which is also a Dealer under the Programme.

Following an issuance of the Notes, a Dealer may make a market in such Notes. However, such Dealer is not obligated to do so, and any market-making activities by such Dealer with respect to such Notes may be discontinued at any time without notice.

Selling restrictions

General

The selling restrictions below may be modified or supplemented from time to time by the agreement of the Issuer, Temasek and the Dealers. Any such modification or supplement will be set out in a Pricing Supplement or in a supplement to this Offering Circular. The Programme Agreement provides that the restrictions relating to any specific jurisdiction (set out below) shall be deemed to be modified to the extent (if at all) of any change(s) in, or change(s) in official interpretation of, applicable laws and regulations governing any of such restrictions relating to any specific jurisdiction.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material relating to the Notes or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required other than as provided herein.

Each Dealer has agreed that it will comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes, or has in its possession or distributes this Offering Circular, any other offering material relating to the Notes or any Pricing Supplement, which may include, without limitations, the following jurisdictions.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Unless the relevant Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer (severally, and not jointly) has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

    (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;

    (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

    (iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the relevant Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(1) if the relevant Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the relevant Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(2) *Qualified investors*: at any time to any legal entity which is a "qualified investor" as defined in the Prospectus Directive;

(3) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(4) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (2) to (4) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

France

Each Dealer has represented and agreed that:

(a) Offer to the public in France:

it has only made and will only make an offer of Notes to the public (appel public à lépargne) in France in the period beginning (a) when a prospectus in relation to those Notes has been approved by the Autorité des marchés financiers ("AMF"), on the date of its publication or, (b) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF and ending at the latest on the date which is 12 months after the date of the approval of this Offering Circular, all in accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and the Règlement général of the AMF; or

(b) Private placement in France:

in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular, the relevant Pricing Supplement or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Code monétaire et financier.

Hong Kong

Each Dealer has represented and agreed that (1) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "Securities and Futures Ordinance") and any rules made under that Ordinance, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance or any rules made under the Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (2) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside of Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Italy

Each Dealer has represented and agreed that the offer of the Notes has not been registered with the Italian Securities and Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, the "CONSOB") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that no Notes may be offered, sold or distributed, to the public in the Republic of Italy ("Italy") nor may copies of this Offering Circular or of any other document relating to the Notes be distributed in Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined in Article 2, paragraph (e) of the Prospectus Directive as implemented by Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (the "Issuers Regulation"); or

(b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Italian Legislative Decree No. 58 of 24 February 1998, as amended from time to time, (the "Financial Services Act") and Article 34-*ter* of the Issuers Regulation.

Moreover, and subject to the foregoing, each Dealer has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the "Banking Act");

(ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy requests information on the issue or the offer of securities in Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by the Bank of Italy, CONSOB or other Italian authority.

Any investor purchasing the Notes in the offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in the offering occurs in compliance with applicable Italian laws and regulations.

Japan

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "FIEA"). Each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

Each Dealer has represented and agreed that Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transaction Law of Korea) except as otherwise permitted under applicable Korean laws and regulations.

Furthermore, a holder of Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any Korean resident for a period of one year from the date of issuance of Notes except (i) in the case where the Notes are issued as bonds other than equity-linked bonds, such as convertible bonds, bonds with warrants and exchangeable bonds (but with respect to exchangeable bonds, only those which are exchangeable into shares, convertible bonds or bonds with warrants), Notes may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of professional investors as specified in the Financial Investment Services and Capital Markets Act, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, provided that such professional investors are registered as "qualified institutional buyers" ("Korean QIBs") with the Korea Financial Investment Association (the "KOFIA") in advance and complies with the requirement for monthly reports to the KOFIA of their holding of Korean QIB Bonds, and provided further that (a) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Korean won, (b) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to less than 20% of the aggregate issue amount of the Notes, (c) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Notes in a major overseas securities market, (d) the one-year restriction on offering, delivering or selling of the Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant underwriting agreement, subscription agreement and this Offering Circular, and (e) the Issuer and the relevant Dealers shall individually or collectively keep the evidence of fulfillment of conditions (a) through (d) above after having taken necessary actions therefor; or (ii) as otherwise permitted under applicable Korean laws and regulations. Each Dealer undertakes to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Malaysia

Each Dealer has acknowledged that (i) no approval from the Securities Commission Malaysia ("SC") is or will be obtained and/or no lodgement to the SC under the Lodge and Launch Framework issued by the SC has been or will be made for the offering of the Notes on the basis that the Notes will be issued and offered exclusively to persons outside Malaysia and (ii) this Offering Circular has not been registered as a prospectus with the SC under the Capital Markets and Services Act 2007 of Malaysia. Each Dealer has represented and agreed that the Notes may not be offered, sold, transferred or otherwise disposed of, directly or indirectly, nor may any document or other material in connection therewith be distributed, to a person in Malaysia except by way of a secondary transaction of the Notes which does not involve retail investors.

Singapore

In respect of offers made pursuant to Sections 274 and/or 275 of the SFA, each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (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, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

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

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

In respect of offers made pursuant to the Exemption Regulations for Straight Debentures, each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document and material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes (including, without limitation, the Product Highlights Sheet), whether directly or indirectly, to persons in Singapore other than in accordance with the conditions specified in the Exemption Regulations for Straight Debentures.

In respect of offers made pursuant to the Exemption Regulations for Post-Seasoning Debentures, each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document and material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes (including, without limitation, the Product Highlights Sheet), whether directly or indirectly, to persons in Singapore other than in accordance with the conditions specified in the Exemption Regulations for Post-Seasoning Debentures.

Switzerland

Each Dealer has acknowledged and agreed that the Notes may not be publicly offered, sold, or advertised, directly or indirectly, in, into or from Switzerland, and will not be listed on SIX Swiss Exchange ("SIX") or on any other exchange or regulated trading facility in Switzerland. This Offering Circular has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations, or the disclosure standards for listing prospectuses under article 27 et seq. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland, or the rules related to prospectuses under Swiss Federal Act on Collective Investment Schemes. Neither this Offering Circular nor any other offering or marketing material relating to the Notes or the offering of the Notes under the Programme may be publicly distributed or otherwise made publicly available in Switzerland.

Each Dealer has further acknowledged and agreed that neither this Offering Circular nor any other offering or marketing material relating to the offering of the Notes under the Programme, the Issuer or the Notes have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Circular will not be filed with, and the offer of Notes will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA"). Acquirers of the Notes will not benefit from protection or supervision by FINMA.

The People's Republic of China

Each Dealer has represented, warranted and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong Special Administrative Region), except as permitted by the securities laws of the People's Republic of China. See "— Hong Kong" above for the selling restrictions relating to the Hong Kong Special Administrative Region.

United Kingdom

Each Dealer has represented, warranted and agreed that:

(a) in relation to any Notes which have a maturity of less than one year, (1) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (2) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and have not been registered or qualified under any state securities or "blue sky" laws of any state of the United States, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons.

Each Dealer has represented and agreed that it will not offer, sell or deliver the Notes of any identifiable series as part of its distribution at any time or otherwise, except to non-U.S. persons in offshore transactions in reliance on Regulation S, as such terms are defined in Regulation S. Each Dealer has agreed that, at or prior to confirmation of a sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during the 40-day distribution compliance period commencing upon completion of the distribution of the series of Notes as determined and certified to the Issuer, a confirmation or notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used above have the meaning given to them by Regulation S.

Each Dealer (or, in the case of a sale of a particular series of Notes offered on a syndicated basis, the relevant lead manager(s)) who has purchased Notes of a series in accordance with the Programme Agreement shall determine and certify to the Issuer on the completion of the distribution of the Notes of such series purchased by or through it.

Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or to United States persons, except in certain transactions permitted by U.S. tax regulations. Accordingly, Bearer Notes having a maturity of more than one year will be issued in accordance with rules in substantially the same form as U.S. Treasury Regulations § 1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code, unless the relevant Pricing Supplement specifies that Notes will be issued in accordance with rules in substantially the same form as U.S. Treasury Regulations § 1.163-5(c)(2)(i)(C) for purposes of Section 4701 of the U.S. Internal Revenue Code. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Notice to purchasers and holders of Registered Notes and transfer restrictions

As a result of the following restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of Notes.

Each prospective purchaser of Notes that have a legend regarding restrictions on transferability, by accepting delivery of this Offering Circular, will be deemed to have represented and agreed that this Offering Circular is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Offering Circular, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer and Temasek, is prohibited.

Additional restrictions regarding the eligible investors and transfer restrictions may apply to any series of Notes. Any such additional restrictions will be set out in the relevant Pricing Supplement.

Each purchaser of Notes and each subsequent purchaser of such Notes in resales, by accepting delivery of this Offering Circular and the Notes will be deemed to have represented, agreed and acknowledged that:

1. It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S).

2. It understands that such Notes and the Guarantee have not been and will not be registered under the Securities Act and that it will not offer, sell, resell, pledge, deliver or otherwise transfer such Notes (a) in the United States or to, or for the account or benefit of, a U.S. person and (b) except in accordance with the transfer restrictions set forth in the legend appearing on the front of such Notes (as set out below) and any other applicable transfer restrictions specified in the relevant Pricing Supplement.

3. It understands that such Notes, unless otherwise determined by the Issuer and Temasek in accordance with applicable law, will bear a legend substantially to the following effect:

   "THE NOTES (THE "NOTES") AND THE GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED, DELIVERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF, ANY U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT)."

4. The Issuer, Temasek, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Legal matters

Certain legal matters with respect to the Notes will be passed upon for the Issuer and Temasek by Allen & Gledhill LLP with respect to Singapore law and by Latham & Watkins LLP with respect to United States federal securities laws. Certain legal matters with respect to the Notes will be passed upon for the Arranger and Dealers by Allen & Gledhill LLP with respect to Singapore law. Certain legal matters with respect to the Notes will be passed upon for the Trustee by WongPartnership LLP with respect to Singapore law.

Credit ratings

Temasek has been assigned an overall corporate credit rating of “Aaa” by Moody’s and “AAA” by S&P. The overall corporate credit ratings of “Aaa” by Moody’s and “AAA” by S&P were assigned on 12 October 2004 and are current as at the date of this document. Moody’s and S&P have been paid by Temasek to provide credit rating services in consideration for the credit rating assessments.

Each series of Notes issued under the Programme may be rated or unrated. Where a series of Notes is rated, such credit rating may be specified in the relevant Pricing Supplement, and will not necessarily be the same as the credit ratings assigned to Temasek. Where any credit rating assigned to a series of Straight Notes is a “provisional” or “expected” or “preliminary” rating, the Issuer undertakes to make an announcement on SGXNET of the final credit rating when it is available.

Any credit ratings accorded to Temasek or the Notes are statements of opinion and are not a recommendation to buy, sell or hold the Notes, and investors should perform their own evaluation as to whether the investment is appropriate.

Credit ratings are subject to suspension, revision or withdrawal at any time by the assigning credit rating agency. Credit rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. Temasek has been assigned an overall corporate credit rating, and may additionally be issued a stand-alone credit rating. No assurance can be given that if Temasek were issued such a stand-alone credit rating, it would be the same as or would not be lower than its overall corporate credit rating. Moreover, no assurances can be given that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the relevant credit rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to assign such credit ratings. Neither the Issuer nor Temasek has any obligation under the Notes to inform Noteholders of any such revision, downgrade or withdrawal. A suspension, revision or withdrawal at any time of the credit rating assigned to Temasek, the Programme or the Notes may adversely affect the market price or liquidity of the Notes. Moreover, Temasek’s credit ratings do not reflect the potential impact related to market or other considerations discussed in “Risk factors — Considerations related to the Issuer and Temasek —Temasek and its portfolio companies are subject to macroeconomic, strategic, financial, operational and political risks” relating to the Notes.

See “Risk factors — Considerations related to the Issuer and Temasek — Credit ratings assigned to Temasek are statements of opinion and not investment recommendations” for more details on credit ratings assigned to Temasek and the Notes (if any).

Credit Rating Methodology and Relative Ranking of Credit Ratings

Publications by Moody’s regarding Credit Rating Methodology

The credit rating methodology used by Moody’s is the Investment Holding Companies and Conglomerates methodology that can be found on the website of Moody’s at https://www.moodys.com/ under the Rating Methodologies page. The explanation of the meaning and limitations of the credit rating is available at https://www.moodys.com/Pages/amr002002.aspx. The relative ranking of the credit ratings assigned by Moody’s is available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

Publications by S&P regarding Credit Rating Methodology

The credit rating methodology used by S&P is the Investment Holding Companies methodology that can be found on the website of S&P at https://www.standardandpoors.com/ in the Industrials tab under the Corporates section of the Ratings Criteria page. The explanation of the meaning and limitations of the credit rating and relative ranking of the credit ratings assigned by S&P are available in the “Guide to Credit Rating Essentials” at http://www.UnderstandingRatings.com.

Limitations

The general information described above as well as the credit ratings of Moody’s or S&P, as the case may be, should be read in conjunction with the information and details found on the websites of Moody’s (at https://www.moodys.com/) or S&P (at https://www.standardandpoors.com/), as the case may be, including the terms, conditions and restrictions of Moody’s or S&P, as the case may be, regarding the use of credit ratings and related information. In particular, all investors should read the terms of use found on the websites of Moody's at https://www.moodys.com/termsofuseinfo.aspx?lang=en&cy=global and S&P at https://www.standardandpoors.com/en_US/web/guest/regulatory/termsofuse in their entirety (including, without limitation, the relevant terms of use specifying that the credit ratings are not intended for use by retail investors, that it would be reckless for retail investors to consider the credit ratings in making any investment decision and that if in doubt, investors should contact their financial or other professional advisor).

The information contained on the websites of Moody's and S&P does not constitute part of this Offering Circular. None of Temasek, the Issuer, the Arranger, the Dealers or any other party has conducted an independent review of the information or verified the accuracy of the contents of the relevant information and does not accept any responsibility for such information, including whether that information is accurate, complete or up-to-date.

Independent public accountants

The consolidated financial statements of Temasek as at 31 March 2016, 2017 and 2018 and for each of the years in the three-year period ended 31 March 2018, and the financial statements of the Issuer as at and for the years ended 31 March 2017 and 2018 which are included elsewhere in this Offering Circular, have been audited by KPMG LLP, Singapore, public accountants and chartered accountants, as stated in their report also appearing herein.

Index to financial statements

Consolidated Financial Statements of Temasek

The page references in the Directors' Statement and the Independent Auditors' Report for the financial years ended 31 March 2016, 2017 and 2018 set out on pages F1 and F2 to F4, respectively, of the Offering Circular refer to the consolidated financial statements set out on pages FS1 to FS126.

Financial Statements of the Issuer

The page references in the Directors' Statement and the Independent Auditors' Report for the financial year ended 31 March 2018 set out on pages FA1 to FA4 and FA5 to FA7, respectively, of the Offering Circular refer to the financial statements set out on pages FSA1 to FSA12.

The page references in the Directors' Statement and the Independent Auditors' Report for the financial year ended 31 March 2017 set out on pages FB1 to FB4 and FB5 to FB7, respectively, of the Offering Circular refer to the financial statements set out on pages FSB1 to FSB10.

TEMASEK HOLDINGS (PRIVATE) LIMITED
AND ITS SUBSIDIARIES
(Registration Number: 197401143C)

Consolidated Financial Statements

31 March 2018, 2017, 2016

In the opinion of the Directors, the consolidated financial statements of the Group as set out on pages FS1 to FS126 are drawn up so as to present fairly the financial position of the Group as at 31 March 2018, 2017 and 2016, and the financial performance, changes in equity and cash flows of the Group for each of the years then ended.

On behalf of the Board of Directors

/s/ Lim Boon Heng
LIM BOON HENG
Chairman

/s/ Ho Ching
HO CHING
Director

Singapore
2 July 2018

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Independent auditors' report

TEMASEK HOLDINGS (PRIVATE) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying consolidated financial statements of TEMASEK HOLDINGS (PRIVATE) LIMITED ("THPL") and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as at 31 March 2018, 2017 and 2016, the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated cash flow statements for each of the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS126.

In our opinion, the accompanying consolidated financial statements of the Group present fairly, in all material respects, the financial position of the Group as at 31 March 2018, 2017 and 2016 and the financial performance, changes in equity and cash flows of the Group for each of the years then ended in accordance with Financial Reporting Standards in Singapore ("FRSs").

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The requirement to communicate key audit matters is not applicable as THPL is not a listed entity.

Other Information

Management is responsible for the other information which accompanies the consolidated financial statements. This other information comprises the Directors' Statement.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing THPL's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and of the appropriateness in using the going concern basis of accounting for the consolidated financial statements of the Group.

The directors' responsibilities include overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit conducted in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or an override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ KPMG LLP
KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
2 July 2018

The Group	**Note**	**2018 $million**	**2017 $million**	**2016 $million**
Revenue	5	107,131	97,057	101,501
Cost of sales		(74,962)	(68,621)	(73,251)
Gross profit		32,169	28,436	28,250
Other income		13,265	10,010	10,963
Selling and distribution expenses		(3,745)	(3,721)	(4,411)
Administrative expenses		(8,632)	(8,416)	(8,025)
Finance expenses	6	(3,154)	(2,806)	(2,725)
Other expenses		(9,467)	(8,898)	(15,994)
Profit before share of profit of associates and joint ventures		20,436	14,605	8,058
Share of profit, net of tax of:				
- associates		6,779	3,258	4,433
- joint ventures		2,321	2,456	2,240
Profit before tax		29,536	20,319	14,731
Tax expense	7	(2,691)	(2,589)	(2,094)
Profit for the year	8	26,845	17,730	12,637
Attributable to:				
Equity holder of THPL		21,338	14,193	8,425
Non-controlling interests		5,507	3,537	4,212
Profit for the year		26,845	17,730	12,637

The accompanying notes form an integral part of these consolidated financial statements.

The Group	**Note**	**2018 $million**	**2017 $million**	**2016 $million**
Profit for the year		26,845	17,730	12,637
Other comprehensive income				
Items that are or may be reclassified subsequently to income statement:				
Translation differences		(3,977)	1,081	(359)
Share of associates' and joint ventures' reserves		(512)	(17)	(24)
Net change in fair value of available-for-sale financial assets, net of tax		20,164	11,927	(15,107)
Net change in fair value of available-for-sale financial assets reclassified to income statement, net of tax		(4,148)	(3,721)	4,668
Cash flow hedges, net of tax		676	657	110
Disposal of investments in subsidiaries, with loss of control		76	560	193
Disposal or dilution of investments in associates and joint ventures		15	136	(44)
Others, net		(113)	(69)	(411)
Total other comprehensive income for the year, net of tax	7	12,181	10,554	(10,974)
Total comprehensive income for the year		39,026	28,284	1,663
Attributable to:				
Equity holder of THPL		34,091	24,224	(2,174)
Non-controlling interests		4,935	4,060	3,837
Total comprehensive income for the year		39,026	28,284	1,663

The accompanying notes form an integral part of these consolidated financial statements.

The Group	**Note**	**2018 $million**	**2017 $million**	**2016 $million**
Non-current assets				
Property, plant and equipment	11	75,173	70,769	69,856
Intangible assets	12	27,935	22,636	20,569
Biological assets	13	472	451	1,387
Associates	16	61,913	62,084	60,601
Joint ventures	17	22,854	21,410	19,498
Financial assets	18	130,968	97,337	87,446
Derivative financial instruments	19	1,013	955	983
Investment properties	20	46,287	40,027	36,322
Deferred tax assets	21	1,030	1,397	1,382
Other non-current assets	22	11,654	12,842	13,075
		379,299	329,908	311,119
Current assets				
Inventories	23	10,680	11,730	11,021
Trade and other receivables	24	33,087	33,364	34,176
Financial assets	18	17,416	17,171	14,410
Derivative financial instruments	19	2,455	2,485	1,127
Cash and bank balances	26	47,034	52,760	42,976
Assets classified as held for sale	27	1,530	182	998
		112,202	117,692	104,708
Total assets		491,501	447,600	415,827
Equity attributable to equity holder of THPL				
Share capital	9	59,907	56,671	54,369
Other reserves	10(a)	14,093	13,669	14,246
Fair value reserve	10(b)	44,673	28,205	19,928
Hedging reserve	10(c)	162	(244)	(731)
Currency translation reserve	10(d)	(7,282)	(3,181)	(4,374)
Accumulated profits		161,135	143,756	134,714
		272,688	238,876	218,152
Non-controlling interests	15	47,514	43,125	40,561
Total equity		320,202	282,001	258,713
Non-current liabilities				
Borrowings	28	80,418	73,385	68,929
Derivative financial instruments	19	1,206	1,118	1,173
Provisions	29	988	1,053	1,069
Deferred income and liabilities	30	2,070	2,852	2,846
Deferred tax liabilities	21	6,760	6,174	5,538
Other non-current liabilities	31	5,315	4,575	4,393
		96,757	89,157	83,948
Current liabilities				
Trade and other payables	32	48,949	49,356	45,797
Current tax payable		2,748	2,739	2,808
Borrowings	28	15,801	18,170	18,317
Derivative financial instruments	19	2,085	1,585	1,611
Provisions	29	2,642	2,360	2,116
Deferred income and liabilities	30	2,301	2,232	2,242
Liabilities classified as held for sale	27	16	-	275
		74,542	76,442	73,166
Total liabilities		171,299	165,599	157,114
Total equity and liabilities		491,501	447,600	415,827

The accompanying notes form an integral part of these consolidated financial statements.

The Group	Share capital $million	Other reserves $million	Fair value reserve $million	Hedging reserve $million	Currency translation reserve $million	Accumulated profits $million	Total equity attributable to equity holder of THPL $million	Non-controlling interests $million	Total equity $million
At 1 April 2015	51,694	14,672	30,582	(801)	(4,572)	127,025	218,600	37,803	256,403
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	8,425	8,425	4,212	12,637
Other comprehensive income									
Translation differences	-	-	-	-	27	-	27	(386)	(359)
Share of associates' and joint ventures' reserves	-	6	(112)	(28)	26	46	(62)	38	(24)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	(15,123)	-	-	-	(15,123)	16	(15,107)
Net change in fair value of available-for-sale financial assets reclassified to income statement, net of tax	-	-	4,587	-	-	-	4,587	81	4,668
Cash flow hedges, net of tax	-	-	-	42	-	-	42	68	110
Disposal of investments in subsidiaries, with loss of control	-	(64)	(8)	65	200	-	193	-	193
Disposal or dilution of investments in associates and joint ventures	-	10	2	-	(68)	-	(56)	12	(44)
Others, net	-	(108)	-	-	(3)	(96)	(207)	(204)	(411)
Total other comprehensive income	-	(156)	(10,654)	79	182	(50)	(10,599)	(375)	(10,974)
Total comprehensive income for the year	-	(156)	(10,654)	79	182	8,375	(2,174)	3,837	1,663
Balance carried forward	51,694	14,516	19,928	(722)	(4,390)	135,400	216,426	41,640	258,066

The accompanying notes form an integral part of these consolidated financial statements.

The Group	Note	Share capital $million	Other reserves $million	Fair value reserve $million	Hedging reserve $million	Currency translation reserve $million	Accumulated profits $million	Total equity attributable to equity holder of THPL $million	Non-controlling interests $million	Total equity $million
Balance brought forward		51,694	14,516	19,928	(722)	(4,390)	135,400	216,426	41,640	258,066
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Employee share-based payment		-	-	-	-	-	-	-	12	12
Transfers/Reclassifications		-	(57)	-	-	-	57	-	-	-
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	2,220	2,220
Dividends paid to non-controlling interests/Capital reduction		-	-	-	-	-	-	-	(3,531)	(3,531)
Dividend (one tier) payable of $1.01 per share		-	-	-	-	-	(944)	(944)	-	(944)
Issue of ordinary shares	9	2,675	-	-	-	-	-	2,675	-	2,675
Total contributions by and distributions to owners		2,675	(57)	-	-	-	(887)	1,731	(1,299)	432
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	1,143	1,143
Acquisition of non-controlling interests without a change in control		-	(268)	-	(7)	(2)	(1)	(278)	(553)	(831)
Disposal of investments in subsidiaries with loss of control		-	-	-	-	-	-	-	(342)	(342)
Partial disposal or dilution of investments in subsidiaries without loss of control		-	55	-	(2)	18	202	273	(28)	245
Total changes in ownership interests in subsidiaries		-	(213)	-	(9)	16	201	(5)	220	215
Total transactions with owners		2,675	(270)	-	(9)	16	(686)	1,726	(1,079)	647
At 31 March 2016		54,369	14,246	19,928	(731)	(4,374)	134,714	218,152	40,561	258,713

The accompanying notes form an integral part of these consolidated financial statements.

The Group	**Share capital $million**	**Other reserves $million**	**Fair value reserve $million**	**Hedging reserve $million**	**Currency translation reserve $million**	**Accumulated profits $million**	**Total equity attributable to equity holder of THPL $million**	**Non-controlling interests $million**	**Total equity $million**
At 1 April 2016	54,369	14,246	19,928	(731)	(4,374)	134,714	218,152	40,561	258,713
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	14,193	14,193	3,537	17,730
Other comprehensive income									
Translation differences	-	-	-	-	915	-	915	166	1,081
Share of associates' and joint ventures' reserves	-	(554)	30	121	(377)	650	(130)	113	(17)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	11,920	-	-	-	11,920	7	11,927
Net change in fair value of available-for-sale financial assets reclassified to income statement, net of tax	-	-	(3,643)	-	-	-	(3,643)	(78)	(3,721)
Cash flow hedges, net of tax	-	-	-	333	-	-	333	324	657
Disposal of investments in subsidiaries, with loss of control	-	(34)	-	21	573	-	560	-	560
Disposal or dilution of investments in associates and joint ventures	-	(21)	(30)	6	116	-	71	65	136
Others, net	-	10	-	-	-	(5)	5	(74)	(69)
Total other comprehensive income	-	(599)	8,277	481	1,227	645	10,031	523	10,554
Total comprehensive income for the year	-	(599)	8,277	481	1,227	14,838	24,224	4,060	28,284
Balance carried forward	54,369	13,647	28,205	(250)	(3,147)	149,552	242,376	44,621	286,997

The accompanying notes form an integral part of these consolidated financial statements.

The Group	Note	Share capital $million	Other reserves $million	Fair value reserve $million	Hedging reserve $million	Currency translation reserve $million	Accumulated profits $million	Total equity attributable to equity holder of THPL $million	Non-controlling interests $million	Total equity $million
Balance brought forward		54,369	13,647	28,205	(250)	(3,147)	149,552	242,376	44,621	286,997
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Employee share-based payment		-	-	-	-	-	-	-	12	12
Transfers/Reclassifications		-	57	-	-	-	(57)	-	-	-
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	2,781	2,781
Dividends paid to non-controlling interests/Capital reduction		-	-	-	-	-	-	-	(3,152)	(3,152)
Dividend (one tier) paid at $1.45 per share		-	-	-	-	-	(1,358)	(1,358)	-	(1,358)
Dividend (one tier) payable of $3.42 per share		-	-	-	-	-	(3,236)	(3,236)	-	(3,236)
Issue of ordinary shares	9	2,302	-	-	-	-	-	2,302	-	2,302
Total contributions by and distributions to owners		2,302	57	-	-	-	(4,651)	(2,292)	(359)	(2,651)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	380	380
Acquisition of non-controlling interests without a change in control		-	(33)	-	-	-	(762)	(795)	(808)	(1,603)
Disposal of investments in subsidiaries with loss of control		-	-	-	-	-	-	-	(1,227)	(1,227)
Partial disposal or dilution of investments in subsidiaries without loss of control		-	(2)	-	6	(34)	(383)	(413)	518	105
Total changes in ownership interests in subsidiaries		-	(35)	-	6	(34)	(1,145)	(1,208)	(1,137)	(2,345)
Total transactions with owners		2,302	22	-	6	(34)	(5,796)	(3,500)	(1,496)	(4,996)
At 31 March 2017		56,671	13,669	28,205	(244)	(3,181)	143,756	238,876	43,125	282,001

The accompanying notes form an integral part of these consolidated financial statements.

The Group	Share capital $million	Other reserves $million	Fair value reserve $million	Hedging reserve $million	Currency translation reserve $million	Accumulated profits $million	Total equity attributable to equity holder of THPL $million	Non-controlling interests $million	Total equity $million
At 1 April 2017	56,671	13,669	28,205	(244)	(3,181)	143,756	238,876	43,125	282,001
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	21,338	21,338	5,507	26,845
Other comprehensive income									
Translation differences	-	-	-	-	(2,762)	-	(2,762)	(1,215)	(3,977)
Share of associates' and joint ventures' reserves	-	409	581	38	(1,818)	(48)	(838)	326	(512)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	20,077	-	-	-	20,077	87	20,164
Net change in fair value of available-for-sale financial assets reclassified to income statement, net of tax	-	-	(4,140)	-	-	-	(4,140)	(8)	(4,148)
Cash flow hedges, net of tax	-	-	-	362	-	-	362	314	676
Disposal of investments in subsidiaries, with loss of control	-	(12)	(14)	-	102	-	76	-	76
Disposal or dilution of investments in associates and joint ventures	-	14	(4)	-	11	-	21	(6)	15
Others, net	-	7	-	-	1	(51)	(43)	(70)	(113)
Total other comprehensive income	-	418	16,500	400	(4,466)	(99)	12,753	(572)	12,181
Total comprehensive income for the year	-	418	16,500	400	(4,466)	21,239	34,091	4,935	39,026
Balance carried forward	56,671	14,087	44,705	156	(7,647)	164,995	272,967	48,060	321,027

The accompanying notes form an integral part of these consolidated financial statements.

The Group	**Note**	**Share capital $million**	**Other reserves $million**	**Fair value reserve $million**	**Hedging reserve $million**	**Currency translation reserve $million**	**Accumulated profits $million**	**Total equity attributable to equity holder of THPL $million**	**Non-controlling interests $million**	**Total equity $million**
Balance brought forward		56,671	14,087	44,705	156	(7,647)	164,995	272,967	48,060	321,027
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owners										
Employee share-based payment		-	-	-	-	-	-	-	23	23
Transfers/Reclassifications		-	(37)	-	-	-	37	-	-	-
Capital contributions by non-controlling interests		-	-	-	-	-	-	-	1,555	1,555
Dividends paid to non-controlling interests/Capital reduction		-	-	-	-	-	-	-	(3,340)	(3,340)
Dividend (one tier) payable of $4.48 per share		-	-	-	-	-	(4,303)	(4,303)	-	(4,303)
Issue of ordinary shares	9	3,236	-	-	-	-	-	3,236	-	3,236
Total contributions by and distributions to owners		3,236	(37)	-	-	-	(4,266)	(1,067)	(1,762)	(2,829)
Changes in ownership interests in subsidiaries										
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	641	641
Acquisition of non-controlling interests without a change in control		-	19	3	-	23	(57)	(12)	(219)	(231)
Disposal of investments in subsidiaries with loss of control		-	-	-	-	-	-	-	(144)	(144)
Partial disposal or dilution of investments in subsidiaries without loss of control		-	24	(35)	6	342	463	800	938	1,738
Total changes in ownership interests in subsidiaries		-	43	(32)	6	365	406	788	1,216	2,004
Total transactions with owners		3,236	6	(32)	6	365	(3,860)	(279)	(546)	(825)
At 31 March 2018		59,907	14,093	44,673	162	(7,282)	161,135	272,688	47,514	320,202

The accompanying notes form an integral part of these consolidated financial statements.

The Group	2018 $million	2017 $million	2016 $million
Cash flows from operating activities			
Profit before tax	29,536	20,319	14,731
Adjustments for:			
Accretion of government compensation received	(5)	(29)	(59)
Amortisation and impairment loss on intangible assets	861	929	887
Amortisation of deferred gain on sale and leaseback transactions	(4)	(6)	(14)
Depreciation of property, plant and equipment	6,680	6,544	6,623
Dividend income	(127)	(209)	(264)
Fair value change of financial assets and derivative financial instruments	(800)	(599)	(432)
Fair value gain on investment properties	(2,292)	(1,189)	(988)
Fair value loss on biological assets	16	1	59
Gain from disposal of investments (net)	(8,128)	(5,610)	(5,681)
(Gain)/Loss on disposal of property, plant and equipment	(45)	49	(81)
Gain on disposal of investment properties	(46)	(42)	(14)
Impairment of property, plant and equipment	89	349	127
Impairment in value of investments in associates, joint ventures and other financial assets	1,072	1,325	7,919
Finance expenses	3,154	2,806	2,725
Interest income	(446)	(392)	(402)
Negative goodwill	-	(2)	(221)
Property, plant and equipment written off	21	15	16
Share-based compensation expenses	111	116	104
Share of profit of associates, net of tax	(6,779)	(3,258)	(4,433)
Share of profit of joint ventures, net of tax	(2,321)	(2,456)	(2,240)
	20,547	18,661	18,362
Changes in:			
- Assets	(4,087)	(2,275)	(2,346)
- Liabilities	1,461	101	(2,894)
Foreign currency translation adjustments	(910)	(23)	121
Cash generated from operating activities	17,011	16,464	13,243
Income tax paid	(2,225)	(2,448)	(2,080)
Net cash from operating activities	14,786	14,016	11,163

The accompanying notes form an integral part of these consolidated financial statements.

The Group	Note	2018 $million	2017 $million	2016 $million
Cash flows from investing activities				
Payments for acquisition of subsidiaries and businesses (net of cash acquired) [1]		(2,832)	(2,575)	(2,498)
Proceeds from disposals of subsidiaries and businesses (net of cash disposed of) [1]		152	2,693	2,258
Payments for purchases of property, plant and equipment		(12,606)	(12,156)	(10,874)
Proceeds from disposals of property, plant and equipment		593	1,225	737
Payments for purchases of intangible assets		(2,030)	(670)	(481)
Proceeds from disposals of intangible assets		1	1	1
Proceeds from disposal/(Payments for purchases) of interests in associates and joint ventures (net)		1,008	(987)	(5,867)
(Payments for purchases)/Proceeds from disposals of financial assets and derivative financial instruments (net)		(8,477)	2,597	1,080
Payments for purchases of investment properties and properties under development (net)		(4,809)	(2,211)	(5,037)
Repayment from/(Loans to) associates and joint ventures (net)		1,184	(106)	1,303
Dividends received from associates and joint ventures		3,809	4,067	3,752
Dividends received from financial assets		367	268	323
Interest received		683	619	633
Net cash used in investing activities		(22,957)	(7,235)	(14,670)
Cash flows from financing activities				
Proceeds from/(Payments for acquisition) partial disposal of interest in subsidiaries without a change in control (net)		1,152	(1,150)	(373)
Repayments of finance lease and hire purchase obligations		(96)	(79)	(180)
Interest paid		(3,060)	(2,606)	(2,441)
Proceeds from borrowings		33,413	32,454	32,657
Repayments of borrowings		(27,109)	(25,565)	(25,979)
Return of capital by subsidiaries to non-controlling interests		(198)	(164)	(509)
Dividend paid to equity holder of THPL		(3,236)	(2,302)	(2,675)
Proceeds from issuance of ordinary shares to equity holder of THPL		3,236	2,302	2,675
Dividends paid to non-controlling interests of subsidiaries		(3,142)	(2,988)	(3,022)
Capital contributions by non-controlling interests of subsidiaries		1,555	2,781	2,220
Net cash from financing activities		2,515	2,683	2,373
Net (decrease)/increase in cash and cash equivalents		(5,656)	9,464	(1,134)
Cash and cash equivalents at the beginning of the year		52,077	42,613	43,747
Cash and cash equivalents at the end of the year	26	46,421	52,077	42,613

The accompanying notes form an integral part of these consolidated financial statements.

Note [(1)] The attributable net assets of subsidiaries and businesses acquired and disposed of are as follows:

	Recognised values		
	2018	**2017**	**2016**
	$million	**$million**	**$million**
Acquisition of subsidiaries and businesses			
Non-current assets	3,124	5,935	10,021
Current assets	484	1,410	3,637
Non-current liabilities	(1,952)	(3,170)	(3,846)
Current liabilities	(347)	(1,061)	(1,852)
	1,309	3,114	7,960
Non-controlling interests	(641)	(380)	(1,143)
Net identifiable assets	668	2,734	6,817
Goodwill on acquisition	2,713	980	1,344
Amount previously accounted for as associates/joint ventures	(249)	(596)	(20)
Consideration not yet paid	(17)	(51)	(3,825)
Consideration paid in previous financial year	(107)	(157)	-
Consideration paid, satisfied in cash	3,008	2,910	4,316
Cash and cash equivalents acquired	(176)	(335)	(1,818)
Net cash outflow from acquisitions	2,832	2,575	2,498
Disposal of subsidiaries and businesses			
Non-current assets	1,273	10,430	4,081
Current assets	1,923	1,960	1,779
Non-current liabilities	(166)	(5,431)	(2,999)
Current liabilities	(1,972)	(3,307)	(1,646)
	1,058	3,652	1,215
Non-controlling interests	(144)	(1,227)	(342)
	914	2,425	873
Realisation of reserves and goodwill	129	622	1,282
Equity interests retained	(77)	(100)	-
Others	(366)	(16)	(286)
(Loss)/Gain on disposals	(157)	135	967
Cash consideration received	443	3,066	2,836
Cash and cash equivalents disposed of	(291)	(373)	(578)
Net cash inflow from disposals	152	2,693	2,258

The accompanying notes form an integral part of these consolidated financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 2 July 2018.

1. General information

Temasek Holdings (Private) Limited ("THPL") is incorporated and domiciled in Singapore. The address of THPL's registered office is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

The consolidated financial statements comprise THPL and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and joint ventures.

The principal activity of THPL is that of an investment holding company. The principal activities of the Group include that of investment holding companies and portfolio companies operating in the following sectors: (a) financial services; (b) telecommunications, media and technology; (c) transportation and industrials; (d) consumer and real estate; (e) energy and resources; and (f) life sciences and agriculture.

THPL is wholly-owned by the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as otherwise disclosed in the accounting policies below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollar, which is THPL's functional currency. All financial information presented in Singapore Dollar has been rounded to the nearest million, unless otherwise indicated.

2.4 Basis of preparation of entities with non-coterminous year end

References to the financial years 2018, 2017 and 2016 refer to the financial years ended 31 March 2018, 31 March 2017 and 31 March 2016 respectively.

The consolidated financial statements include the financial statements of THPL drawn up to 31 March 2018 and financial statements of its subsidiaries which have been prepared and audited up to the year ended either 31 March 2018 or 31 December 2017. Management has evaluated the significance of transactions that occurred between 1 January 2018 and 31 March 2018 in respect of those subsidiaries with financial year ended 31 December 2017 and, where necessary, made adjustments to the consolidated financial statements. This approach is allowed under FRS 110 *Consolidated Financial Statements*.

Had the unaudited balance sheets as at 31 March of those subsidiaries with financial year end other than 31 March been included in the consolidated balance sheet of the Group, the effect on the equity attributable to equity holder of THPL as at 31 March would have been approximately as follows:

	2018 $million	**2017 $million**	**2016 $million**
As shown in audited consolidated balance sheet of the Group as at 31 March	272,688	238,876	218,152
Net increase/(decrease) in equity attributable to equity holder of THPL as at 31 March in respect of these subsidiaries with different year end	388	(338)	(1,682)
Consolidated balance sheet as would be revised	273,076	238,538	216,470

Had the unaudited income statements for the years ended 31 March of those subsidiaries with financial year end other than 31 March been included in the consolidated income statement of the Group, the effect on the profit attributable to equity holder of THPL for the years ended 31 March would have been approximately as follows:

	2018 $million	**2017 $million**	**2016 $million**
As shown in audited consolidated income statement of the Group for the years ended 31 March	21,338	14,193	8,425
Net (decrease)/increase in profit attributable to equity holder of THPL for the period from 1 January to 31 March in respect of these subsidiaries with different year end	(199)	32	80
Consolidated income statement as would be revised	21,139	14,225	8,505

2.5 Use of estimates and judgements

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information on areas involving a high degree of judgement, or areas where estimates are significant to the financial statements, is set out in note 4.

2.6 Changes in accounting policies

On 1 April 2017, the Group adopted new or amended FRS and interpretations to FRS ("INT FRS") that were mandatory for application for the financial year. Changes to the Group's accounting policies had been made as required in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no significant impact on the amounts reported for the current or prior financial years.

Disclosure Initiative (*Amendments to FRS 7 *Statement of Cash Flow)

Arising from the amendments to FRS 7, the Group has provided additional disclosure in relation to the changes in liabilities arising from financing activities for the year ended 31 March 2018 (see note 28(h)). Comparative information is not required to be presented.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the subsidiaries.

3.1 Consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is measured at fair value at each balance sheet date and subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are recognised in the income statement as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Business combinations involving entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as an acquisition on the date that the common control business combination occurs. The assets and liabilities acquired are recognised at the carrying amounts based on the financial statements of the acquired entity. The components of equity of the acquired entities are added to the same components within Group equity. Any difference between the consideration paid for the acquisition and net assets acquired is recognised directly in equity.

Loss of control

Upon a loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on a loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

Transactions with non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to THPL, and are presented separately in the income statement, statement of comprehensive income and within equity in the balance sheet, separately from equity attributable to equity holder of THPL.

Changes in the Group's ownership interest in a subsidiary that do not result in a change in control are accounted for as transactions with owners and therefore the carrying amounts of assets and liabilities are not changed and goodwill, negative goodwill and gain or loss on partial disposal are not recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets/liabilities of the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holder of THPL.

Associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures are accounted for in the consolidated financial statements using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition results and reserves of associates and joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Associates and joint ventures held by or through venture capital organisations, or mutual funds, unit trusts and similar entities are exempted from applying the equity method in the consolidated financial statements and classified as at fair value through profit or loss in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*.

The Group's investments in associates and joint ventures include goodwill identified on acquisition.

When the Group's share of losses exceeds its interest in an associate or a joint venture, the carrying amount of that interest is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation to make or has made payments on behalf of the investee.

Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currencies at exchange rates at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to functional currencies at exchange rates at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using exchange rates at the dates of transactions.

Foreign currency differences arising on translation are recognised in the income statement, except for foreign currency differences arising on the translation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below), available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to income statement), financial liabilities designated as hedges of a net investment in a foreign operation to the extent that the hedge is effective (note 3.8) or qualifying cash flow hedges to the extent the hedge is effective, which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore Dollar at exchange rates prevailing at the balance sheet date. The income and expenses of foreign operations are translated to Singapore Dollar at average exchange rates for the year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 April 2005 are treated as assets and liabilities of the foreign operation and are translated at exchange rates prevailing at the balance sheet date. For acquisitions prior to 1 April 2005, exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income and presented in the currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the currency translation reserve related to that foreign operation is reclassified to income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to income statement.

When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in other comprehensive income, and are presented in the currency translation reserve in equity.

3.3 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the costs of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, estimated costs of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the asset or restore the site, and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Bearer plants are immature plantations stated at acquisition cost which includes costs incurred for field preparation, planting, farming inputs and maintenance, capitalisation of borrowing costs incurred on loans used to finance the development of immature plantations and an allocation of other indirect costs based on planted hectarage.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

Subsequent costs

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. Other subsequent expenditure such as repairs and maintenance is recognised in the income statement as incurred.

Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of property, plant and equipment to its estimated residual value over the estimated useful lives (or lease term, if shorter) of each part of an item of property, plant and equipment.

The estimated useful lives are as follows:

	Nature of property, plant and equipment	Useful lives
(a)	Buildings	1 to 60 years
(b)	Leasehold land and improvements, dry docks, floating docks, wharves, slipways, syncrolifts and wet berthages	1 to 99 years
(c)	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts	4 to 30 years (For used freighter aircraft, the Group depreciates them over 20 years less age of aircraft)
(d)	Marine crafts and vessels	7 to 25 years
(e)	Plant, equipment and machinery (excluding easements)	1 to 50 years
(f)	Furniture, fittings, office equipment, computers, vehicles and others	1 to 30 years
(g)	Bearer plants	15 to 30 years

No depreciation is provided on freehold land, easements (included in plant, equipment and machinery) and leasehold land with a remaining lease period of more than 100 years. No depreciation is provided on construction work-in-progress until the related property, plant and equipment is ready for use.

Depreciation methods, useful lives and residual values are reviewed and adjusted, as appropriate, at each balance sheet date.

3.4 Research and development costs

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the costs of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the income statement as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement using the straight-line method over the estimated useful lives.

3.5 Intangible assets

Goodwill on consolidation

Goodwill and negative goodwill arise on the acquisition of subsidiaries, associates and joint ventures.

(a) Acquisitions prior to 1 April 2001

Goodwill represents the excess of the cost of acquisition over the Group’s interest in the net fair value of identifiable assets and liabilities of the acquiree.

Goodwill and negative goodwill on acquisitions were written off against accumulated profits in the year of acquisition.

Goodwill and negative goodwill that have previously been taken to reserves are not taken to the income statement when (i) the business is disposed of; or (ii) the goodwill is impaired.

(b) Acquisitions occurring between 1 April 2001 and 31 March 2005

Goodwill represents the excess of the cost of acquisition over the Group’s interest in the net fair value of identifiable assets and liabilities of the acquiree.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill was stated at cost from the date of initial recognition and amortised over its estimated useful life. On 1 April 2005, the Group discontinued amortisation of this goodwill. This remaining goodwill balance is subject to testing for impairment, as described in note 3.10.

Negative goodwill was derecognised by crediting accumulated profits on 1 April 2005.

Gains and losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of goodwill relating to the entity sold.

(c) Acquisitions occurring between 1 April 2005 and 31 March 2010

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3.10.

Negative goodwill is recognised immediately in the income statement.

Gains and losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of goodwill relating to the entity sold.

(d) Acquisitions on or after 1 April 2010

For acquisitions on or after 1 April 2010, goodwill at the acquisition date represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a negative goodwill is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3.10. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

Gains and losses on disposal of subsidiaries, associates and joint ventures include the carrying amount of goodwill relating to the entity sold.

Exploration and evaluation expenditure

Exploration and evaluation activity involves the search for natural gas resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes:

- researching and analysing exploration data;
- gathering exploration data through topographical, geochemical and geophysical studies;
- exploratory drilling, trenching and sampling;
- determining and examining the volume and grade of the resource;
- examining and testing extraction and treatment methods;
- surveying transportation and infrastructure requirements; and
- conducting market and finance studies.

Considerations to third parties to acquire interests in existing exploration and evaluation projects are capitalised as exploration and evaluation assets. The interests in exploration and evaluation projects are accounted for as joint operations.

The Group applies the successful efforts method of accounting for the exploration and evaluation expenditure.

Exploration and evaluation expenditure is charged to the income statement as incurred except in the following circumstances, in which case the expenditure may be capitalised:

- the exploration and evaluation activity is within an area of interest for which it is expected that the expenditure will be recouped by future exploitation or sale; or
- exploration and evaluation activity has not reached a stage which permits reasonable assessment of the existence of commercially recoverable reserves.

Administration costs that are not directly attributable to a specific exploration area are recognised in the income statement as incurred.

As the asset is not available for use, it is not depreciated.

Capitalised exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exists:

- the term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are neither budgeted or planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specific area; or
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated for an area of interest, impairment testing is performed in conjunction with the group of operating assets (representing a cash generating unit) attributed to that area in accordance with FRS 36 *Impairment of Assets*. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the income statement.

Other intangible assets

Other intangible assets that have finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. They are amortised in the income statement on a straight-line basis over their estimated useful lives from the date on which they are available for use.

Other intangible assets that have indefinite useful lives or are not ready for use are stated at cost less accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the income statement as incurred.

The estimated useful lives are as follows:

	Nature of intangible assets	Useful lives
(a)	Licence fee	3 to 30 years
(b)	Spectrum and other licences	4 to 18 years
(c)	Computer software	1 to 10 years
(d)	Brand name	Indefinite
(e)	Customer contracts and relationships	2 to 30 years
(f)	Deferred development expenditure	2 to 44 years
(g)	Patents and intellectual property rights	2 to 16 years
(h)	Port use rights	22 to 84 years
(i)	Service concession arrangements	10 to 30 years
(j)	Trademarks	3 to 24 years
(k)	Water rights	Perpetual

Amortisation methods, useful lives and residual values are reviewed and adjusted, as appropriate, at each balance sheet date.

3.6 Biological assets

Biological assets mainly include annual crops and livestock.

Annual crops

The fruits on trees are valued in accordance with FRS 41 *Agriculture*. The fair value amount is an aggregate of the fair valuation of the current financial year and the reversal of the prior year's fair valuation. The fair valuation takes into account current selling prices and related costs. The calculated value is then discounted by a suitable factor to take into account the agricultural risk until maturity.

The annual crops have been valued using adjusted cost, which is the estimate of the yield and cost of the crop at harvest discounted for the remaining time to harvest, which approximate fair value.

Livestock

Livestock are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the income statement. Point-of-sale costs include all costs that would be necessary to sell the assets. The fair value of livestock is determined based on valuations by an independent professional valuer using the market prices of livestock of similar age, breed and generic merit.

3.7 Investment properties and properties under development

Investment properties (including those under development) are held for long-term rental yields and/or for capital appreciation and are not occupied substantially by the Group.

Investment properties are initially recognised at cost and subsequently carried at fair value. Changes in fair values are recognised in the income statement.

Where the fair value of investment properties under development cannot be reliably measured, the property is measured at cost until the earlier of the date at which construction is completed and the date at which fair value becomes reliably measurable.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in the income statement. The cost of maintenance, repairs and minor improvements is recognised in the income statement when incurred.

If an investment property becomes substantially owner-occupied, it is reclassified to property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the income statement.

3.8 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, other non-current assets, trade and other receivables, cash and bank balances, other non-current liabilities, trade and other payables, and borrowings.

Cash and cash equivalents comprise cash balances, bank deposits, other short-term highly liquid investments and bank overdrafts. For the purpose of the consolidated cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and restricted cash.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. On disposal of a financial asset, the difference between the sale proceeds and the carrying amount is recognised in the income statement. Any amount in the fair value reserve relating to that asset is reclassified to the income statement. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments are recognised initially at fair value, and in the case of non-derivative financial assets or liabilities not at fair value through profit or loss, plus or minus, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

(a) Financial assets at fair value through profit or loss

A financial asset is classified as fair value through profit or loss if it is acquired principally for the purpose of selling in the short-term or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in the income statement as incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

(b) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intent and ability to hold to maturity. Held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include other non-current assets, trade and other receivables and cash and bank balances which are measured at amortised cost using the effective interest method, less any impairment losses.

(d) Available-for-sale financial assets

The Group's investments in certain equity securities and debt securities are classified as available-for-sale financial assets if they are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than foreign exchange gains and losses on available-for-sale debt instruments and impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to the income statement.

(e) Trade and other payables

Trade and other payables are carried at amortised cost using the effective interest method.

(f) Borrowings

Borrowings are carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each balance sheet date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative impact on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for impairment on an individual specific basis. The remaining financial assets are assessed collectively in groups that share similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Impairment losses in respect of financial assets measured at amortised cost are recognised in the income statement. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. Impairment losses in respect of available-for-sale financial assets are recognised by reclassifying the cumulative losses that have been recognised in other comprehensive income and presented in the fair value reserve in equity, to the income statement.

Impairment losses in respect of financial assets measured at amortised cost and available-for-sale debt securities are reversed in the income statement if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities shall not be reversed through the income statement. Any subsequent increase in fair value of such assets is recognised in other comprehensive income and presented in the fair value reserve in equity.

Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items attributable to the hedged risk.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the income statement as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

(a) Cash flow hedges

Changes in the fair value of a derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised immediately in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction affects the income statement. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in equity is recognised immediately in the income statement. In other cases, the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects the income statement.

(b) Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in the income statement and the carrying amount of the hedged item is adjusted.

(c) Hedges of a net investment in a foreign operation

Foreign currency differences arising on translation of financial liabilities designated as hedges of a net investment in a foreign operation are recognised in the income statement. On consolidation, such foreign currency differences are recognised in other comprehensive income and presented in the currency translation reserve in equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such foreign currency differences are recognised in the consolidated income statement.

When the hedged net investment is disposed of, in part or in full, the relevant amount in the currency translation reserve is transferred to the consolidated income statement as part of the gain or loss on disposal.

(d) Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in the income statement.

(e) Other non-trading derivatives

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes and convertible redeemable preference shares that can be converted to shares or redeemed at the option of the holder and/or issuer at varying conditions and redemption amounts.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

On conversion, the financial liability is reclassified to equity. No gain or loss is recognised on conversion.

Financial guarantees

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value plus transaction costs and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amounts of the financial guarantees are transferred to the income statement.

3.9 Leases

(i) Lessees of finance leases

Where the Group assumes substantially all the risks and rewards of ownership of a leased asset, the asset is classified as a finance lease. Upon initial recognition, property, plant and equipment acquired through finance leases are capitalised at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Lessees of operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease payments made. Contingent rents are recognised in the income statement in the year in which they are incurred.

(iii) Lessors of finance leases

Where the Group transfers substantially all the risks and rewards of ownership of an asset to the lessees, this leased asset is classified as a finance lease.

The leased asset is derecognised and the present value of the lease receivable (adjusted for initial direct costs for negotiating and arranging the lease) is recognised on the balance sheet and included in other non-current assets and trade and other receivables.

Finance lease income is recognised in the income statement on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

(iv) Lessors of operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Leasing income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging the leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

Contingent rents are recognised in the income statement when earned.

3.10 Impairment – non-financial assets

Property, plant and equipment, Intangible assets, Associates and Joint ventures

The recoverable amounts of goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, are estimated each year at the same time, and as and when indicators of impairment are identified.

The carrying amounts of the Group's other non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows from continuing use that are largely independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss for an asset, other than goodwill on acquisition of subsidiaries, is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Impairment loss on goodwill on acquisition is not reversed in the subsequent period.

Goodwill forms part of the carrying amount of an investment in an associate or joint venture. The entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

3.11 Inventories and contracts work-in-progress

(a) Inventories

Inventories, other than commodities held for trading, are stated at the lower of cost and net realisable value. Cost is calculated on a first-in-first-out basis or by weighted average cost depending on the nature and use of the inventories. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories for commodity trading businesses are measured at fair value less costs to sell, with changes in fair value less costs to sell recognised in the income statement in the period of the change.

For agricultural produce that is harvested, cost of inventory is stated at fair value less estimated point-of-sale costs at the time of harvest. Thereafter this inventory is carried at the lower of cost and net realisable value.

(b) Contracts work-in-progress

Contracts work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Where costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on contracts within trade and other receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on contracts within trade and other payables.

3.12 Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale and are carried at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of associates and joint ventures ceases once classified as held for sale.

3.13 Employee benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted from the present value of the defined benefit obligation at the balance sheet date. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

Remeasurements from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expense in the income statement.

(c) Share-based payment

For equity-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense in the income statement with a corresponding increase in the equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the goods or services received is determined by reference to the fair value of the equity instrument granted at the date of the grant. At each balance sheet date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised in expense and a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made to the original estimate if the actual outcome differs from the estimate due to market conditions.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognised as an expense in the income statement with a corresponding increase in liability over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the goods or services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each balance sheet date and at the date of settlement, with any changes in fair value recognised in the income statement.

The proceeds received from the exercise of the equity instrument, net of any directly attributable transaction costs, are credited to equity when the equity instruments are exercised.

(d) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(e) Other long-term employee benefits

The Group's net obligations in respect of long-term employee benefits other than pension plans is the amount of future benefits that employees have earned in return for their service in current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

3.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.15 Revenue recognition

Sale of goods and rendering of services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from the rendering of services is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date, provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be reliably measured.

Revenue from the sale of goods and the rendering of services includes the following:

(a) Revenue from financial services

Fee and commission income (net)

Fee and commission income is earned from a range of services rendered by the Group to its customers, comprising income earned from services rendered over a period of time and from providing transaction-type services.

Fees earned from providing services over a period of time are recognised over the service period during which the related service is provided or credit risk is undertaken. Fee and commission income from such services comprise mainly servicing fees, investment management fees and syndication fees. Fees earned from providing transaction-type services are recognised when the service has been performed, which include underwriting fees and brokerage income.

Fee and commission expenses are netted off against the gross fee and commission income in the income statement. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Interest income

Interest income comprises interest arising from various types of lending activities and includes interest on debt securities and deposits. Interest income is recognised based on the effective interest method.

(b) Revenue from investment trading activities

Changes in fair values of financial assets at fair value through profit or loss, and financial derivative instruments are recognised as revenue when the changes in fair value arise. On disposal, the difference between the sales proceeds and the carrying amount is recognised as revenue in the income statement.

(c) Revenue from liner and logistics services

Revenue from liner services is recognised on an accrual basis, using the percentage-of-completion method.

Revenue from logistics services is derived from the storage, handling and transportation of customer products. Such revenue is recognised when the services are provided. For shipments in transit, revenue is recognised on an accrual basis, using the percentage-of-completion method. Recognition of handling revenue is deferred until completion of the handling activity. Revenue is also recognised from fees earned upon the performance of certain logistics outsourcing activities, such as freight forwarding and customs clearance services.

(d) Revenue from energy and resources

Sale of electricity and gas

Revenue from the sale of electricity and gas are recognised when electricity and gas are delivered to consumers.

Transfers of assets from customers

Revenue arising from assets transferred from customers is recognised in the income statement when the performance obligations associated with receiving those customer contributions are met. In determining the amount of revenue to be recognised, the fair value of the assets is required to be estimated and the circumstances and nature of the transferred assets, which includes market value and relevant rate-regulated framework governing those assets, are taken into account.

(e) Revenue from contracts

Revenue from long-term contracts is recognised based on the percentage-of-completion method, which is measured by either:

(i) a combination of different or a single cost component(s) that would provide the most reliable indication of the stage of completion of a contract; or

(ii) when goods and services, representing part of a contract, are delivered; or

(iii) upon completion of designated phases of a contract.

When the outcome of a long-term contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that can probably be recovered and contract costs are recognised as an expense in the period in which they are incurred.

Provision for foreseeable losses on uncompleted contracts is recognised in the income statement as soon as such losses are determinable.

(f) Revenue from airline services

Revenue from airline services is principally earned from the carriage of passengers, cargo and mail, engineering services, training of pilots, air charters and tour wholesaling and related activities.

Passenger and cargo sales are recognised as revenue when the transportation is provided. The value of unutilised tickets and airway bills is included in current liabilities as sales in advance of carriage. The value of unutilised tickets is recognised as revenue by estimating a percentage of the breakage revenue upfront at flight date based on historical trends and experience. The value of airway bills is recognised as revenue if unused after one year.

Revenue from repair and maintenance of aircraft, engine and component overhaul is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to date against the estimated man-hours needed to complete the projects.

Rental income from lease of aircraft is recognised on a straight-line basis over the lease term.

(g) Revenue from telecommunication services

Revenue includes the gross income received and receivable from revenue sharing arrangements entered into with overseas telecommunication companies in respect of traffic exchanged.

Revenue from subscription contract is recognised ratably over the service, maintenance or subscription period.

For mobile device repayment plans, the consideration is allocated to its separate revenue generating activities based on the best estimate of the price of each activity in the arrangement. Handset sales are accounted for in accordance with the sale of equipment accounting policy (see below) of the Group. As the service credits under the device repayment plans are provided over time for services, they are recorded as a reduction of subscription revenue.

For prepaid cards which have been sold, provisions for unearned revenue are made for services which have not been rendered as at the end of the reporting period. Expenses directly attributable to the unearned revenue are deferred until the revenue is recognised.

Revenue from the sale of equipment is recognised upon the transfer of significant risks and rewards of ownership to the customer which generally coincides with delivery and acceptance of the equipment sold.

Revenues for system and network installation and integration projects are recognised based on the percentage of completion of the projects using cost-to-cost basis. Revenues from the rendering of services which involve the procurement of computer equipment, third party software for installation and information technology professional services are recognised upon full completion of the projects.

Revenue from sale of perpetual software licences and the related hardware are recognised when title passes to the customer, generally upon delivery.

Revenue from digital advertising services and solutions is recognised when advertising services are delivered, and when digital advertising impressions are delivered or clickthroughs occur. Revenue from selling advertising space is recognised when the advertising space is filled and sold to customers.

(h) Capacity swaps

The Group may exchange network capacity with other capacity or service providers. The exchange is regarded as a transaction which generates revenue unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given up is reliably measurable.

(i) Dividend income

Dividend income is recognised in the income statement when the right to receive payment is established.

(j) Rental income

Rental income under operating leases is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents are recognised in the income statement when earned.

3.16 Other income

Other income includes interest income, dividend income, gains on disposal of investments in subsidiaries, associates, joint ventures, property, plant and equipment and other financial assets. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised when the right to receive payment is established.

3.17 Government grants

Government grants are recognised in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

3.18 Finance expenses

Finance expenses comprise interest expense on borrowings and the unwinding of the discount on provisions. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset.

3.19 Tax

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, it is presumed that the carrying amount of such investment property will be recovered entirely through sale. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.20 Discontinued operations

A discontinued operation is a component of the Group’s business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

3.21 Dividends to THPL's shareholder

Dividends to THPL's shareholder are recognised when the obligation to dividend payment is established.

4. Critical accounting estimates, assumptions and judgements

Critical estimates, assumptions and judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are discussed below.

(a) Subsidiaries

Subsidiaries are entities controlled by the Group. In determining whether the Group controls an entity, significant judgement is required to assess if the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(b) Fair value estimates for certain financial assets and liabilities and derivative financial instruments

The Group carries certain financial assets and liabilities and derivative financial instruments at fair value, which require extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence (i.e. foreign exchange rates, interest rates), the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these financial assets and liabilities and derivative financial instruments would affect income statement and other comprehensive income.

(c) Fair value of investment properties and properties under development

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Investment properties and properties under development are stated at fair value based on valuation performed by independent professional valuers. The fair values are based on highest-and-best-use basis.

The valuers have considered valuation techniques including the direct comparison method, capitalisation approach, residual method, and/or discounted cash flows, where appropriate.

(d) Impairment of property, plant and equipment and goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on the higher of fair value less costs to sell and value in use calculations. The value in use calculations require the use of estimates.

(e) Impairment of available-for-sale financial assets

The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining when an investment is impaired. This determination requires significant judgement about whether the decline in fair value below cost is significant or prolonged. The Group evaluates, among other factors, the duration of the decline and the magnitude by which the fair value of an investment is below cost; and the financial health and short-term business outlook of the investee.

(f) Impairment of loans and receivables

The Group assesses whether there is objective evidence that loans and receivables have been impaired at each balance sheet date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy and default, or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates.

(g) Construction contracts

The Group uses the percentage-of-completion method to account for its contract revenue.

Significant judgement is required to estimate the total contract costs and the recoverable variation works that will affect the stage of completion and the contract revenue respectively.

(h) Tax expense

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses at each tax jurisdiction.

The Group reviews the carrying amount of deferred tax assets at each balance sheet date. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

5. Revenue

	2018 $million	2017 $million	2016 $million
Sale of goods	41,261	33,437	31,791
Rendering of services	58,482	57,408	64,121
Dividend income	1,946	1,877	2,550
Interest income	3,358	3,393	3,507
Investment gain/(loss), net	2,084	942	(468)
	107,131	97,057	101,501

Investment gain/(loss), net, comprises (i) unrealised fair value gains/(losses); and (ii) net realised gains/(losses) of financial assets measured at fair value through profit or loss and derivative financial instruments.

6. Finance expenses

Interest expense incurred by the Group's banking subsidiaries of $884 million (2017: $1,095 million; 2016: $1,251 million) is included as part of the Group's cost of sales and is, therefore not included as part of finance expenses.

7. Tax expense

	2018 $million	**2017 $million**	**2016 $million**
Tax recognised in income statement			
Current tax expense			
Current year	2,848	2,887	2,401
Over-provided in prior years	(319)	(333)	(448)
	2,529	2,554	1,953
Deferred tax expense			
Origination and reversal of temporary differences	427	36	141
Change in tax rates	(48)	(1)	-
Recognised as part of gain on disposal of investments in associates in income statement	(217)	-	-
	162	35	141
Total tax expense	2,691	2,589	2,094
Reconciliation of effective tax rate			
Profit before share of profit of associates and joint ventures	20,436	14,605	8,058
Tax calculated using Singapore tax rate of 17% (2017: 17%; 2016: 17%)	3,474	2,483	1,370
Net income not subject to tax	(3,329)	(1,644)	(2,035)
Expenses not deductible for tax purposes	1,948	1,266	2,389
Recognition of previously unrecognised tax benefits	(7)	(26)	(4)
Deferred tax benefits not recognised	226	222	226
Effect of different tax rates in other countries	742	518	413
Effect of change in tax rates	(48)	(1)	-
Over-provided in prior periods	(319)	(333)	(448)
Others	4	104	183
Total tax expense	2,691	2,589	2,094

Tax recognised in other comprehensive income

For the year ended 31 March	<------ 2018	------>		<------ 2017	------>		<------ 2016	------>	
	Before tax $million	Tax (expense)/ benefit $million	Net of tax $million	Before tax $million	Tax (expense)/ benefit $million	Net of tax $million	Before tax $million	Tax (expense)/ benefit $million	Net of tax $million
Translation differences	(3,977)	-	(3,977)	1,081	-	1,081	(359)	-	(359)
Share of associates' and joint ventures' reserves	(512)	-	(512)	(17)	-	(17)	(24)	-	(24)
Net change in fair value of available-for-sale financial assets	20,293	(129)	20,164	11,932	(5)	11,927	(15,108)	1	(15,107)
Net change in fair value of available-for-sale financial assets reclassified to income statement	(4,149)	1	(4,148)	(3,723)	2	(3,721)	4,661	7	4,668
Cash flow hedges	811	(135)	676	756	(99)	657	111	(1)	110
Disposal of investments in subsidiaries, with loss of control	76	-	76	560	-	560	193	-	193
Disposal or dilution of investments in associates and joint ventures	15	-	15	136	-	136	(44)	-	(44)
Others, net	(113)	-	(113)	(69)	-	(69)	(411)	-	(411)
	12,444	(263)	12,181	10,656	(102)	10,554	(10,981)	7	(10,974)

8. Profit for the year

(a) Items included in other income:

	2018 $million	2017 $million	2016 $million
Dividend income	127	209	264
Fair value gain on investment properties	2,292	1,189	988
Gain on disposal of investments in subsidiaries and disposal/dilution of investments in associates and joint ventures	3,848	892	1,837
Gain on disposal of investments in financial assets	4,860	5,419	4,199
Gain on disposal of property, plant and equipment (net)	45	-	81
Interest income	446	392	402
Exchange gain (net)	2	160	-

(b) Items included in cost of sales and expenses:

	Note	2018 $million	2017 $million	2016 $million
Depreciation of property, plant and equipment	11	(6,680)	(6,544)	(6,623)
Amortisation of intangible assets	12	(718)	(630)	(538)
Fair value loss on biological assets	13	(16)	(1)	(59)
Impairment loss (net):				
- investments in associates, joint ventures and other financial assets		(1,072)	(1,325)	(7,919)
- property, plant and equipment	11	(89)	(349)	(127)
- intangible assets	12	(143)	(299)	(349)
Loss on disposal of investments in subsidiaries and disposal/dilution of investments in associates and joint ventures		(430)	(555)	(355)
Loss on disposal of investments in financial assets		(150)	(146)	-
Loss on disposal of property, plant and equipment (net)		-	(49)	-
Operating lease expenses		(2,625)	(2,423)	(2,777)
Wages and salaries		(13,129)	(12,283)	(12,064)
Contributions to defined contribution plans		(1,140)	(1,109)	(1,054)
Employee share-based compensation expenses		(111)	(116)	(104)
Other staff-related costs and benefits		(1,628)	(1,027)	(993)
Exchange loss (net)		-	-	(333)

9. Share capital

	2018 No. of shares	2017 No. of shares	2016 No. of shares
Fully paid ordinary shares, with no par value:			
At beginning of the year	946,584,470	936,700,712	925,375,952
Issue of shares for cash	12,822,190	9,883,758	11,324,760
At end of the year	959,406,660	946,584,470	936,700,712

The holder of the ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of THPL. All shares rank equally with regard to THPL's residual assets.

Capital management

THPL

THPL's capital comprises its share capital and reserves. The primary objective in capital management is to safeguard the ability to deliver sustainable returns to its shareholder over the long term.

THPL has been assigned an overall corporate credit rating of "AAA" by S&P Global Ratings and "Aaa" by Moody's Investors Service, Inc.

THPL is designated as a Fifth Schedule entity under the Singapore Constitution with a special responsibility to safeguard THPL's past reserves. Reserves in THPL are categorised as current or past reserves, depending on when these have been accumulated.

THPL's past reserves are those accumulated by THPL before the current term of Government.

If THPL's total reserves are less than THPL's past reserves, this will be considered a draw on THPL's past reserves. THPL is required by the Singapore Constitution to seek approval from the President of the Republic of Singapore (the "President") before a draw occurs on THPL's past reserves.

THPL's Chairman and Chief Executive Officer are required to certify THPL's Statement of Reserves and Statement of Past Reserves to the President at prescribed intervals as part of THPL's responsibility to protect THPL's past reserves.

Thus, the President acts as a check under a "two-key" concept to safeguard THPL's past reserves.

There were no changes to THPL's approach to capital management during the year.

The Group

THPL is an investment company that owns and manages its assets based on commercial principles. As a general principle, THPL does not issue any financial guarantee for the financial obligations of its portfolio companies.

Portfolio companies are guided and managed by their respective boards and management. THPL does not direct the commercial and operational decisions of these portfolio companies, but holds their respective boards accountable for the capital and risk management processes and financial performance of their companies.

Certain operating subsidiaries within the Group are subject to externally imposed capital requirements as required by law and financial loan covenant clauses. Management of these subsidiaries are responsible for compliance with the requirements during the financial year.

10. Reserves

(a) Other reserves

Other reserves mainly comprise:

(i) Merger reserve

The merger reserve represents the difference between the nominal value of shares issued by subsidiaries in exchange for the nominal value of shares acquired in respect of acquisition of entities under common control.

(ii) Capital reserve

The capital reserve mainly comprises the Group's share of capital reserves of associates and joint ventures and goodwill on acquisition completed prior to 1 April 2001.

(iii) Other reserves

Other reserves mainly comprise surplus on disposal of investments transferred from accumulated profits.

(b) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held until the investments are derecognised or impaired.

(c) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to forecast hedged transactions.

(d) Currency translation reserve

The currency translation reserve comprises:

(i) foreign currency differences arising from the translation of the financial statements of subsidiaries, associates and joint ventures whose functional currencies are different from the functional currency of THPL;

(ii) foreign currency gains or losses on instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges; and

(iii) foreign currency differences on monetary items which form part of the Group's net investment in foreign operations.

11. Property, plant and equipment

	Note	Freehold land and buildings $million	Leasehold land and buildings and improvements $million	Dry docks, floating docks, wharves, slipways, syncrolifts and wet berthages $million	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts $million	Marine crafts and vessels $million	Plant, equipment and machinery $million	Furniture, fittings, office equipment, computers, vehicles and others $million	Bearer plants $million	Construction work-in-progress $million	Total $million
Cost											
At 1 April 2015		1,254	10,808	3,912	20,163	8,409	59,994	9,356	-	11,514	125,410
Acquisition of subsidiaries		649	44	-	-	22	1,125	78	-	70	1,988
Additions		70	228	72	983	18	712	494	-	9,051	11,628
Assets classified as held for sale		(9)	-	-	(266)	-	(20)	(1)	-	(20)	(316)
Disposal of subsidiaries		(417)	(318)	(6)	-	-	(4,719)	(266)	-	(26)	(5,752)
Disposals		(8)	(288)	(21)	(1,483)	(21)	(1,649)	(816)	-	(24)	(4,310)
Transfer/Reclassification/Adjustment		386	609	146	1,859	54	5,165	466	-	(8,776)	(91)
Transfer from/(to) intangible assets	12	-	-	-	-	-	-	-	-	(7)	(7)
Write off		-	(24)	(52)	-	-	(139)	(58)	-	-	(273)
Translation differences		2	(24)	22	5	558	79	(26)	-	(200)	416
At 31 March 2016		1,927	11,035	4,073	21,261	9,040	60,548	9,227	-	11,582	128,693
Acquisition of subsidiaries		32	357	5	-	-	575	40	3	1,771	2,783
Purchase price allocation adjustment		3	215	-	-	-	125	12	-	8	363
Additions		29	329	36	171	9	645	659	214	10,495	12,587
Disposal of subsidiaries		(43)	(134)	(256)	(109)	(7,944)	(2,181)	(557)	-	-	(11,224)
Disposals		(8)	(69)	(58)	(550)	(23)	(3,140)	(300)	-	(349)	(4,497)
Transfer/Reclassification/Adjustment		(250)	936	544	2,184	6	4,607	567	13	(8,619)	(12)
Transfer from/(to) intangible assets	12	-	-	-	-	-	(3)	13	-	-	10
Transfer from biological assets	13	-	-	-	-	-	-	-	1,040	-	1,040
Write off		-	(18)	-	-	-	(185)	(58)	-	(1)	(262)
Translation differences		34	(86)	12	(2)	(395)	282	113	24	162	144
At 31 March 2017		1,724	12,565	4,356	22,955	693	61,273	9,716	1,294	15,049	129,625
Acquisition of subsidiaries		88	137	-	-	-	253	22	-	74	574
Purchase price allocation adjustment		-	-	-	-	-	(2)	-	-	-	(2)
Additions		25	283	19	213	-	651	476	212	11,206	13,085
Assets classified as held for sale		(49)	(58)	-	-	-	(3)	(20)	-	-	(130)
Disposal of subsidiaries		(32)	(44)	-	-	-	(355)	(57)	-	(10)	(498)
Disposals		(138)	(59)	(20)	(1,002)	(20)	(952)	(298)	-	(18)	(2,507)
Transfer/Reclassification/Adjustment		124	1,395	562	3,541	1	5,219	901	24	(11,912)	(145)
Transfer from/(to) intangible assets	12	-	(1)	(81)	-	-	(81)	1	-	(700)	(862)
Write off		-	(41)	-	-	-	(199)	(33)	-	(3)	(276)
Translation differences		(54)	(135)	(4)	(8)	(15)	(1,197)	(303)	1	(83)	(1,798)
At 31 March 2018		1,688	14,042	4,832	25,699	659	64,607	10,405	1,531	13,603	137,066

	Note	Freehold land and buildings $million	Leasehold land and buildings and improvements $million	Dry docks, floating docks, wharves, slipways, syncrolifts and wet berthages $million	Aircrafts, aircraft spares and engines, flight simulators and training aircrafts $million	Marine crafts and vessels $million	Plant, equipment and machinery $million	Furniture, fittings, office equipment, computers, vehicles and others $million	Bearer plants $million	Construction work-in-progress $million	Total $million
Accumulated depreciation and impairment losses											
At 1 April 2015		236	4,358	1,696	10,063	1,748	33,235	6,539	-	2	57,877
Depreciation for the year	8(b)	32	394	195	1,473	344	3,265	920	-	-	6,623
Impairment loss recognised/(reversed) (net)	8(b)	-	27	(3)	22	1	80	-	-	-	127
Assets classified as held for sale		(1)	-	-	(81)	-	(5)	(1)	-	-	(88)
Disposal of subsidiaries		(44)	(88)	(1)	-	-	(1,938)	(169)	-	-	(2,240)
Disposals		(1)	(92)	(14)	(986)	(18)	(1,453)	(754)	-	-	(3,318)
Transfer/Reclassification/Adjustment		(7)	6	-	(12)	-	(51)	(10)	-	-	(74)
Write off		-	(23)	(52)	-	-	(126)	(56)	-	-	(257)
Translation differences		5	11	8	1	117	60	(15)	-	-	187
At 31 March 2016		220	4,593	1,829	10,480	2,192	33,067	6,454	-	2	58,837
Depreciation for the year	8(b)	38	416	185	1,476	187	3,222	922	98	-	6,544
Impairment loss recognised/(reversed) (net)	8(b)	-	91	-	25	-	48	181	-	4	349
Disposal of subsidiaries		(6)	(91)	(187)	(3)	(2,048)	(1,185)	(404)	-	-	(3,924)
Disposals		(1)	(39)	(49)	(388)	(19)	(2,106)	(282)	-	-	(2,884)
Transfer/Reclassification/Adjustment		(12)	(14)	12	(8)	-	91	(79)	-	-	(10)
Transfer from/(to) intangible assets	12	-	-	-	-	-	-	6	-	-	6
Write off		-	(12)	-	-	-	(177)	(58)	-	-	(247)
Translation differences		2	(15)	(9)	1	(98)	205	92	7	-	185
At 31 March 2017		241	4,929	1,781	11,583	214	33,165	6,832	105	6	58,856
Depreciation for the year	8(b)	32	454	186	1,546	34	3,356	1,012	60	-	6,680
Impairment loss recognised/(reversed) (net)	8(b)	-	(2)	-	38	-	60	(4)	-	(3)	89
Assets classified as held for sale		(4)	(6)	-	-	-	(3)	(13)	-	-	(26)
Disposal of subsidiaries		(18)	(34)	-	-	-	(254)	(47)	-	(2)	(355)
Disposals		(13)	(40)	(16)	(831)	(19)	(863)	(267)	-	-	(2,049)
Transfer/Reclassification/Adjustment		-	6	-	-	-	(28)	(8)	-	-	(30)
Transfer from/(to) intangible assets	12	-	-	(22)	-	-	(27)	-	-	-	(49)
Write off		-	(27)	-	-	-	(196)	(32)	-	-	(255)
Translation differences		(3)	(26)	2	(2)	(2)	(710)	(219)	(8)	-	(968)
At 31 March 2018		235	5,254	1,931	12,334	227	34,500	7,254	157	1	61,893
Carrying amounts											
At 31 March 2016		1,707	6,442	2,244	10,781	6,848	27,481	2,773	-	11,580	69,856
At 31 March 2017		1,483	7,636	2,575	11,372	479	28,108	2,884	1,189	15,043	70,769
At 31 March 2018		1,453	8,788	2,901	13,365	432	30,107	3,151	1,374	13,602	75,173

Property, plant and equipment included the following:

(a) carrying amount of $352 million (2017: $625 million; 2016: $1,043 million) at the balance sheet date that was acquired under finance lease, sale and leaseback and hire purchase arrangements;

(b) carrying amount of $164 million (2017: $177 million; 2016: $875 million) at the balance sheet date that was held for the purpose of generating operating lease revenue;

(c) carrying amount of $7,454 million (2017: $7,665 million; 2016: $7,390 million) at the balance sheet date that was pledged to secure banking facilities (note 28(c)(i));

(d) borrowing costs for the year capitalised in the cost of property, plant and equipment of $144 million (2017: $281 million; 2016: $161 million); and

(e) staff costs for the year capitalised in the cost of property, plant and equipment of $314 million (2017: $371 million; 2016: $361 million).

12. Intangible assets

	Note	Goodwill on consolidation $million	Licences $million	Software $million	Other intangible assets $million	Total $million
Cost						
At 1 April 2015		15,347	2,817	1,838	4,901	24,903
Additions		6	134	91	266	497
Disposals/Write off		(31)	(13)	(41)	(41)	(126)
Acquisition/(Disposal) of subsidiaries (net)		155	(1)	(109)	(27)	18
Purchase price allocation adjustment		7	-	-	-	7
Transfer from property, plant and equipment	11	-	-	7	-	7
Transfer/Reclassification/ Adjustment		-	-	125	(125)	-
Translation differences		157	(59)	(5)	(26)	67
At 31 March 2016		15,641	2,878	1,906	4,948	25,373
Additions		2	490	96	256	844
Disposals/Write off		(2)	-	(40)	(57)	(99)
Acquisition/(Disposal) of subsidiaries (net)		639	-	(30)	846	1,455
Purchase price allocation adjustment		265	-	-	40	305
Transfer to property, plant and equipment	11	-	-	(8)	(2)	(10)
Transfer/Reclassification/ Adjustment		(7)	-	80	(67)	6
Translation differences		110	78	7	128	323
At 31 March 2017		16,648	3,446	2,011	6,092	28,197
Additions		-	1,123	168	782	2,073
Disposals/Write off		-	(1)	(51)	(2)	(54)
Acquisition/(Disposal) of subsidiaries (net)		2,083	(5)	53	931	3,062
Purchase price allocation adjustment		2	-	-	65	67
Transfer from property, plant and equipment	11	-	-	33	829	862
Transfer/Reclassification/ Adjustment		-	-	171	(171)	-
Translation differences		(358)	(159)	(14)	(229)	(760)
At 31 March 2018		18,375	4,404	2,371	8,297	33,447

	Note	Goodwill on consolidation $million	Licences $million	Software $million	Other intangible assets $million	Total $million
Accumulated amortisation and impairment losses						
At 1 April 2015		1,375	1,036	1,339	1,158	4,908
Amortisation for the year	8(b)	-	189	174	175	538
Impairment loss (net)	8(b)	133	-	-	216	349
Disposal of subsidiaries		(360)	-	(62)	(504)	(926)
Disposals/Write off		(2)	(6)	(37)	(35)	(80)
Translation differences		26	(15)	(7)	11	15
At 31 March 2016		1,172	1,204	1,407	1,021	4,804
Amortisation for the year	8(b)	-	203	170	257	630
Impairment loss (net)	8(b)	179	-	3	117	299
Disposal of subsidiaries		(142)	-	(29)	(11)	(182)
Disposals/Write off		-	-	(37)	(22)	(59)
Transfer from/(to) property, plant and equipment	11	-	-	(6)	-	(6)
Transfer/Reclassification/ Adjustment		-	-	-	2	2
Translation differences		6	36	3	28	73
At 31 March 2017		1,215	1,443	1,511	1,392	5,561
Amortisation for the year	8(b)	-	245	199	274	718
Impairment loss (net)	8(b)	56	-	-	87	143
Disposal of subsidiaries		(615)	(4)	(21)	(118)	(758)
Disposals/Write off		-	(1)	(50)	(1)	(52)
Transfer from property, plant and equipment	11	-	-	-	49	49
Translation differences		(15)	(72)	(12)	(50)	(149)
At 31 March 2018		641	1,611	1,627	1,633	5,512
Carrying amounts						
At 31 March 2016		14,469	1,674	499	3,927	20,569
At 31 March 2017		15,433	2,003	500	4,700	22,636
At 31 March 2018		17,734	2,793	744	6,664	27,935

Other intangible assets include:

(a) exploration and evaluation assets with carrying amount of $1,633 million (2017: $1,735 million; 2016: $1,664 million); and

(b) port use, water concession and other rights with carrying amount of $939 million (2017: $783 million; 2016: $389 million).

Intangible assets with carrying amount of $2,138 million (2017: $195 million; 2016: $159 million) were pledged to secure banking facilities (note 28 c(ii)).

Analysis of amortisation expense included in the income statement:

	2018 $million	2017 $million	2016 $million
Cost of sales	159	127	85
Administrative expenses	91	52	44
Other expenses	468	451	409
	718	630	538

Impairment testing for cash-generating units containing goodwill

Goodwill is tested annually for impairment, as well as when there is any indication that goodwill may be impaired. Goodwill is allocated to the Group's cash-generating units ("CGUs") that are expected to benefit from synergies of the business combinations.

The goodwill is mainly attributed to the acquisition of the following subsidiaries:

	2018 $million	2017 $million	2016 $million
Singtel Optus Pty Limited and its subsidiaries	9,279	9,288	9,283

Singtel Optus Pty Limited and its subsidiaries ("Optus")

The fixed, mobile, cable and broadband networks of Optus, a group of subsidiaries of Singapore Telecommunications Limited, are integrated operationally and accordingly, Optus as a group is a CGU for the purpose of impairment tests for goodwill.

The recoverable value of the CGU including goodwill is determined based on value in use calculations.

The value in use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management. Optus has used cash flow projections of 5 years (2017 and 2016: 5 years). Cash flows beyond the terminal year are extrapolated using the estimated growth rate of 3.0% (2017 and 2016: 3.0%) and pre-tax discount rate of 9.0% (2017: 9.3%; 2016: 9.5%). Key assumptions used in the calculation of value in use are growth rates, operating margins, capital expenditure and discount rates.

The terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which Optus operates and are consistent with forecasts included in industry reports.

The discount rates applied to the cash flow projections are based on Weighted Average Cost of Capital where the cost of a company's debt and equity capital are weighted to reflect its capital structure.

At the respective balance sheet dates, no impairment charge was required for goodwill on acquisition of Optus, with any reasonably possible change to the key assumptions applied not likely to cause the recoverable values to be below its carrying value.

13. Biological assets

	Note	Plantations and annual crops $million	Livestock $million	Total $million
At 1 April 2015		1,072	182	1,254
Acquisition of a subsidiary		31	-	31
Net additions/(reductions)		(78)	(76)	(154)
Net change in fair value less estimated costs to sell	8(b)	17	(76)	(59)
Capitalisation of expenses		259	81	340
Translation differences		(23)	(2)	(25)
At 31 March 2016		1,278	109	1,387
Net additions/(reductions)		42	(53)	(11)
Net change in fair value less estimated costs to sell	8(b)	3	(4)	(1)
Capitalisation of expenses		32	63	95
Transfer to property, plant and equipment	(a), 11	(1,040)	-	(1,040)
Translation differences		9	12	21
At 31 March 2017		324	127	451
Net additions/(reductions)		(30)	(53)	(83)
Net change in fair value less estimated costs to sell	8(b)	(23)	7	(16)
Capitalisation of expenses		64	70	134
Translation differences		(7)	(7)	(14)
At 31 March 2018		328	144	472

	2018 $million	2017 $million	2016 $million
Carried at:			
- Cost	-	-	377
- Fair value classified under Level 3 of the fair value hierarchy	472	451	1,010
	472	451	1,387

(a) Transfer to property, plant and equipment as required by amendments to FRS 41 *Agriculture*.

14. Subsidiaries

(a) Details of significant subsidiaries held directly by THPL:

	Name of subsidiary	Principal places of business	Country of incorporation	Effective equity held by the Group 2018 %	2017 %	2016 %
	Fullerton Fund Investments Pte Ltd	Singapore	Singapore	100	100	100
	Fullerton Management Pte Ltd	Singapore	Singapore	100	100	100
	Fullerton (Private) Limited	Singapore	Singapore	100	100	100
1	Neptune Orient Lines Limited	Global	Singapore	-	-	65
	PSA International Pte Ltd	Singapore	Singapore	100	100	100
2	Sembcorp Industries Ltd	Singapore	Singapore	49	49	49
	Singapore Airlines Limited	Singapore	Singapore	56	56	56
	Singapore Power Limited	Singapore	Singapore	100	100	100
3	Singapore Technologies Engineering Ltd	Singapore	Singapore	51	51	51
	Singapore Technologies Telemedia Pte Ltd	Singapore	Singapore	100	100	100
4	Singapore Telecommunications Limited	Singapore, Australia	Singapore	52	52	51
	Temasek Capital (Private) Limited	Singapore	Singapore	100	100	100
	Tembusu Capital Pte. Ltd.	Singapore	Singapore	100	100	100

[1] Held through THPL – Nil% (2017: Nil%; 2016: 26%) and Tembusu Capital Pte. Ltd. – Nil% (2017: Nil%; 2016: 39%), and was disposed of in June 2016.

[2] Sembcorp Industries Ltd ("Sembcorp") is a company listed on the Singapore Exchange Securities Trading Limited. As at 31 March 2018, the Group's interest in Sembcorp was 49% (2017 and 2016: 49%). Having considered the absolute size of the Group's holding of voting rights and the relative size and dispersion of holdings of other shareholders, Sembcorp is classified as a subsidiary.

[3] Held through THPL – 50% (2017 and 2016: 50%) and Temasek Capital (Private) Limited – 1% (2017 and 2016: 1%).

[4] Held through THPL – 50% (2017: 50%; 2016: 51%) and Tembusu Capital Pte. Ltd. – 2% (2017: 2%; 2016: Nil%).

(b) Nature and extent of significant restrictions on the Group's ability to access assets and settle liabilities

THPL is an investment company that owns and manages its assets based on commercial principles. As a general principle, THPL does not issue any financial guarantee for the financial obligations of its portfolio companies.

Portfolio companies are guided and managed by their respective boards and management. THPL does not direct the commercial and operational decisions of these portfolio companies, but holds their respective boards accountable for the capital and risk management processes and financial performance of their companies.

Temasek's portfolio companies are legally distinct from one another and from Temasek and have no obligation to pay any amounts due with respect to one another's or Temasek's obligations or to make funds available for such payments. The ability of Temasek's portfolio companies to pay dividends or make other distributions or payments to Temasek is subject to, among others, dividend policies set out by listed portfolio companies, availability of profits or funds, restrictions on the payment of dividends contained in each portfolio company's indebtedness, and applicable laws and regulations. Temasek's sources of funds include divestment proceeds, dividends from portfolio companies, distributions from funds, supplemented by proceeds from borrowings and debt issuances. Temasek has occasionally received capital injections from its shareholder.

15. Non-controlling interests

The following tables set out the Group's subsidiaries with material non-controlling interests ("NCI") and summarised financial information of each subsidiary as extracted from their respective consolidated financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and alignment to the Group's accounting policies (if any).

2018	**Singapore Telecommunications Limited ("Singtel") $million**	**Singapore Airlines Limited ("SIA") $million**	**Sembcorp Industries Ltd ("Sembcorp") $million**
Summarised income statement and statement of comprehensive income:			
Revenue	17,532	15,802	8,346
Profit for the year	5,430	1,016	245
Other comprehensive income	(652)	472	(104)
Total comprehensive income	4,778	1,488	141
Summarised balance sheet:			
Non-current assets	42,273	22,558	15,117
Current assets	5,981	4,968	8,096
Total assets	48,254	27,526	23,213
Non-current liabilities	(10,307)	(6,382)	(9,161)
Current liabilities	(8,293)	(6,549)	(5,836)
Total liabilities	(18,600)	(12,931)	(14,997)
Net assets	29,654	14,595	8,216
Summarised cash flow statement:			
Cash flows from/(used in):			
- operating activities	5,955	2,611	650
- investing activities	(1,951)	(4,581)	(92)
- financing activities	(4,009)	1,188	276
Net increase/(decrease) in cash and cash equivalents	(5)	(782)	834
Dividends to NCI included in cash flows from/(used in) financing activities	(1,605)	(160)	(101)
Ownership interests held by NCI	48%	44%	51%
Attributable to NCI:			
Profit for the year	2,586	476	132
Net assets	14,170	6,688	5,307

2017	Singtel $million	SIA $million	Sembcorp $million
Summarised income statement and statement of comprehensive income:			
Revenue	16,711	14,869	7,907
Profit for the year	3,831	320	437
Other comprehensive income	689	407	96
Total comprehensive income	4,520	727	533
Summarised balance sheet:			
Non-current assets	42,377	18,996	14,666
Current assets	5,917	5,702	7,624
Total assets	48,294	24,698	22,290
Non-current liabilities	(10,808)	(4,961)	(8,112)
Current liabilities	(9,272)	(6,288)	(6,016)
Total liabilities	(20,080)	(11,249)	(14,128)
Net assets	28,214	13,449	8,162
Summarised cash flow statement:			
Cash flows from/(used in):			
- operating activities	5,315	2,534	872
- investing activities	(4,832)	(2,944)	(801)
- financing activities	(422)	(225)	214
Net increase/(decrease) in cash and cash equivalents	61	(635)	285
Dividends to NCI included in cash flows from/(used in) financing activities	(1,371)	(270)	(138)
Ownership interests held by NCI	48%	44%	51%
Attributable to NCI:			
Profit for the year	1,821	187	245
Net assets	13,495	6,182	5,288

2016	**Singtel $million**	**SIA $million**	**Sembcorp $million**
Summarised income statement and statement of comprehensive income:			
Revenue	16,961	15,239	9,545
Profit for the year	3,858	852	454
Other comprehensive income	(735)	233	172
Total comprehensive income	3,123	1,085	626
Summarised balance sheet:			
Non-current assets	38,400	16,993	12,308
Current assets	5,165	6,776	7,608
Total assets	43,565	23,769	19,916
Non-current liabilities	(12,023)	(4,197)	(5,926)
Current liabilities	(6,540)	(6,440)	(5,946)
Total liabilities	(18,563)	(10,637)	(11,872)
Net assets	25,002	13,132	8,044
Summarised cash flow statement:			
Cash flows from/(used in):			
- operating activities	4,648	3,005	(704)
- investing activities	(2,740)	(2,700)	(1,277)
- financing activities	(2,044)	(1,321)	1,912
Net increase/(decrease) in cash and cash equivalents	(136)	(1,016)	(69)
Dividends to NCI included in cash flows from/(used in) financing activities	(1,368)	(182)	(276)
Ownership interests held by NCI	49%	44%	51%
Attributable to NCI:			
Profit for the year	1,884	398	187
Net assets	12,256	5,929	5,299

16. Associates

	2018 $million	2017 $million	2016 $million
Investments in associates	61,913	62,084	60,601

(a) Details of material associates:

Name of associate	Principal places of business	Country of incorporation	Effective equity held by the Group 2018 %	2017 %	2016 %
Held by THPL					
CapitaLand Limited	China, Singapore	Singapore	40	40	39
[1] DBS Group Holdings Ltd	Singapore	Singapore	29	29	30
Held by Tembusu Capital Pte. Ltd.					
A.S. Watson Holdings Limited	Asia, Western Europe	Cayman Islands	25	25	25
Held by PSA International Pte Ltd					
Hutchison Port Holdings Limited	British Virgin Islands	British Virgin Islands	20	20	20
Hutchison Ports Investments S.à.r.l.	Luxembourg	Luxembourg	20	20	20

[1] Held through THPL – 11% (2017: 11%; 2016: 12%) and Maju Holdings Pte. Ltd. – 18% (2017 and 2016: 18%).

(b) The nature and extent of significant restrictions on the Group's ability to access assets and settle liabilities are disclosed in note 14(b).

(c) The Group's share of contingent liabilities of associates is disclosed in note 38.

(d) The following tables set out the Group's material associates and summarised financial information of each associate as extracted from their respective consolidated financial statements, modified for fair value adjustments on acquisition and alignment to the Group's accounting policies (if any).

(i) *CapitaLand Limited and its subsidiaries ("CapitaLand")*

	2018 $million	**2017 $million**	**2016 $million**
Summarised income statement and statement of comprehensive income:			
Revenue	4,610	5,252	4,762
Profit for the year	2,326	1,504	1,495
Other comprehensive income	(409)	(1,144)	592
Total comprehensive income	1,917	360	2,087
Less: attributable to non-controlling interests	(721)	(166)	(430)
Total comprehensive income attributable to equity holders of CapitaLand	1,196	194	1,657
Summarised balance sheet:			
Non-current assets	49,219	33,976	34,426
Current assets	12,227	11,765	12,627
Non-current liabilities	(20,560)	(13,712)	(15,185)
Current liabilities	(8,803)	(7,728)	(6,930)
Net assets	32,083	24,301	24,938
Less: attributable to non-controlling interests	(13,701)	(6,696)	(7,032)
Net assets attributable to equity holders of CapitaLand	18,382	17,605	17,906
Group's interest in net assets of CapitaLand:			
At beginning of the year	6,967	7,071	6,601
Group's share of:			
- Profit for the year	618	471	421
- Other comprehensive income	(94)	(424)	200
- Total comprehensive income	524	47	621
Dividend income	(168)	(151)	(151)
At end of the year	7,323	6,967	7,071
Market value [2]	6,000	6,101	5,143

[2] Based on quoted market price at 31 March (Level 1 in the fair value hierarchy).

(ii) *DBS Group Holdings Ltd and its subsidiaries ("DBS")*

	2018 $million	2017 $million	2016 $million
Summarised income statement and statement of comprehensive income:			
Total income	12,274	11,489	10,923
Profit for the year	4,504	4,360	4,567
Other comprehensive income	(261)	(25)	(119)
Total comprehensive income	4,243	4,335	4,448
Less: attributable to non-controlling interests	(129)	(121)	(121)
Total comprehensive income attributable to equity holders of DBS	4,114	4,214	4,327
Summarised balance sheet:			
Total assets	517,711	481,570	457,834
Total liabilities	(467,909)	(434,600)	(415,038)
Net assets	49,802	46,970	42,796
Less: attributable to non-controlling interests	(2,344)	(2,361)	(2,422)
Net assets attributable to equity holders of DBS	47,458	44,609	40,374
Group's interest in net assets of DBS:			
At beginning of the year	12,805	12,037	10,869
Group's share of:			
- Profit for the year	1,267	1,238	1,321
- Other comprehensive income	(76)	(24)	(85)
- Total comprehensive income	1,191	1,214	1,236
Conversion of non-voting redeemable convertible preference shares to ordinary shares	-	-	378
Dividend income	(468)	(446)	(446)
At end of the year	13,528	12,805	12,037
Market value [2]	20,411	14,393	11,428

[2] Based on quoted market price at 31 March (Level 1 in the fair value hierarchy).

(iii) *A.S. Watson Holdings Limited and its subsidiaries ("A.S. Watson")*

	2018 $million	2017 $million	2016 $million
Summarised income statement and statement of comprehensive income:			
Revenue	21,438	21,783	22,268
Profit for the year	1,540	1,584	1,646
Other comprehensive income	(1,961)	687	(978)
Total comprehensive income	(421)	2,271	668
Less: attributable to non-controlling interests	(19)	(25)	(26)
Total comprehensive income attributable to equity holders of A.S. Watson	(440)	2,246	642
Summarised balance sheet:			
Non-current assets	30,812	32,445	31,389
Current assets	7,357	7,265	7,121
Non-current liabilities	(2,491)	(262)	(2,422)
Current liabilities	(5,055)	(7,303)	(5,050)
Net assets	30,623	32,145	31,038
Less: attributable to non-controlling interests	(52)	(55)	(65)
Net assets attributable to equity holders of A.S. Watson	30,571	32,090	30,973
Group's interest in net assets of A.S. Watson:			
At beginning of the year	8,005	7,727	7,860
Group's share of:			
- Profit for the year	379	389	404
- Other comprehensive income	(489)	171	(244)
- Total comprehensive income	(110)	560	160
Dividend income	(269)	(282)	(284)
Other adjustments	-	-	(9)
At end of the year	7,626	8,005	7,727

(iv) Associates held by PSA International Pte Ltd and its subsidiaries ("PSA")

The following disclosure is extracted from the consolidated financial statements of PSA.

	2018 $million	**2017 $million**	**2016 $million**
At beginning of the year	3,539	3,497	4,456
Group's share of:			
- Profit for the year	171	184	188
- Other comprehensive income	107	(80)	(133)
- Total comprehensive income	278	104	55
Investment during the year	1	-	-
Dividend income	(131)	(134)	(158)
Repayment of loans	-	-	(1,110)
Translation differences	(273)	72	254
At end of the year	3,414	3,539	3,497

(e) Summarised financial information of the Group's aggregated interest in remaining individually immaterial associates:

	2018 $million	**2017 $million**	**2016 $million**
Group's share of:			
- Profit for the year	4,344	976	2,099
- Other comprehensive income	(441)	775	413
- Total comprehensive income	3,903	1,751	2,512
Carrying amount of the Group's aggregated interest in individually immaterial associates	30,022	30,768	30,269

17. Joint ventures

Summarised financial information of the Group's aggregated interest in individually immaterial joint ventures:

	2018 $million	**2017 $million**	**2016 $million**
Group's share of:			
- Profit for the year	2,321	2,456	2,240
- Other comprehensive income	481	(435)	(175)
- Total comprehensive income	2,802	2,021	2,065
Carrying amount of the Group's aggregated interest in individually immaterial joint ventures	22,854	21,410	19,498

The Group's share of capital commitments of joint ventures is disclosed in note 37.

18. Financial assets

	Note	2018 $million	2017 $million	2016 $million
Non-current assets				
Available-for-sale financial assets	(a)	120,075	89,276	80,078
Financial assets at fair value through profit or loss		10,780	7,904	6,822
Held-to-maturity financial assets		113	157	546
		130,968	97,337	87,446
Current assets				
Available-for-sale financial assets	(a)	3,167	4,274	2,165
Financial assets at fair value through profit or loss		14,177	12,441	11,795
Held-to-maturity financial assets		72	456	450
		17,416	17,171	14,410
		148,384	114,508	101,856
Financial assets at fair value through profit or loss:				
- held for trading		6,383	5,135	5,367
- at fair value on initial recognition		18,574	15,210	13,250
		24,957	20,345	18,617

(a) Included in available-for-sale financial assets were securities sold under repurchase agreements of $Nil (2017: $1,204 million; 2016: $873 million). The corresponding liability in relation to these agreements together with repurchase agreement for investment securities of $Nil (2017: $1,201 million; 2016: $873 million) was included under current deposits and balances of banks placed with banking subsidiaries (note 32). The liability in relation to the repurchase agreements of government securities had matured during the year ended 31 March 2018. These transactions were conducted under terms that were usual and customary to standard securities borrowing and lending activities.

Significant exposure to non-functional currencies:

	2018 $million	2017 $million	2016 $million
US Dollar	59,699	43,838	35,082
Hong Kong Dollar	30,916	26,511	24,843
Korean Won	9,030	3,321	3,349
Euro	8,604	5,479	5,115
Pound Sterling	8,498	7,990	5,868

Fair value hierarchy

Classification of financial assets carried at fair value by levels (as defined in note 35):

	Level 1 $million	Level 2 $million	Level 3 $million	Total $million
2018				
Non-current assets				
Available-for-sale financial assets	84,563	1,797	33,715	120,075
Financial assets at fair value through profit or loss	2,713	1,133	6,934	10,780
	87,276	2,930	40,649	130,855
Current assets				
Available-for-sale financial assets	2,918	152	97	3,167
Financial assets at fair value through profit or loss	8,584	5,160	433	14,177
	11,502	5,312	530	17,344
	98,778	8,242	41,179	148,199
2017				
Non-current assets				
Available-for-sale financial assets	60,122	2,345	26,809	89,276
Financial assets at fair value through profit or loss	2,554	1,082	4,268	7,904
	62,676	3,427	31,077	97,180
Current assets				
Available-for-sale financial assets	1,444	2,830	-	4,274
Financial assets at fair value through profit or loss	8,232	3,260	949	12,441
	9,676	6,090	949	16,715
	72,352	9,517	32,026	113,895
2016				
Non-current assets				
Available-for-sale financial assets	55,844	2,091	22,143	80,078
Financial assets at fair value through profit or loss	2,177	1,005	3,640	6,822
	58,021	3,096	25,783	86,900
Current assets				
Available-for-sale financial assets	709	1,429	27	2,165
Financial assets at fair value through profit or loss	8,722	2,328	745	11,795
	9,431	3,757	772	13,960
	67,452	6,853	26,555	100,860

Reconciliation of movements in Level 3 fair values:

	Note	2018 $million	2017 $million	2016 $million
At beginning of the year		32,026	26,555	22,141
Gain/(Loss) recognised in the income statement as:				
- revenue		73	16	(63)
- other income		2,115	853	448
- other expenses		(532)	(646)	(10)
Net gain recognised in the income statement		1,656	223	375
Net gain/(loss) recognised in other comprehensive income		673	1,161	(474)
Purchases		13,940	9,126	9,864
Sales		(4,924)	(4,086)	(4,267)
Settlements		(1,063)	(147)	(523)
Acquisition of subsidiaries		-	-	74
Disposal of subsidiaries		-	(71)	(176)
Transfer into Level 3	(i)	377	20	530
Transfer out of Level 3	(ii)	(1,071)	(895)	(1,070)
Translation differences		(435)	140	81
At end of the year		41,179	32,026	26,555

Financial assets included within Level 3 are valued based on valuation methods in accordance with FRS, which include adjusted net asset values and approximate fair values.

(i) During the year ended 31 March 2018, an associate with a carrying amount of $200 million was reclassified as available-for-sale financial assets due to loss of significant influence over the associate.

During the year ended 31 March 2016, a subsidiary and an associate with carrying amounts totalling $515 million were reclassified as available-for-sale financial assets due to loss of control over the subsidiary and loss of significant influence over the associate.

(ii) Financial assets with carrying amount of $1,029 million (2017: $806 million; 2016: $190 million) were transferred from Level 3 to Level 1 because the securities became listed.

During the year ended 31 March 2016, financial assets with carrying amount of $818 million were transferred from Level 3 to Level 2 as observable market data for fair value measurement inputs became available.

19. Derivative financial instruments

	2018		2017		2016	
	Assets $million	**Liabilities $million**	**Assets $million**	**Liabilities $million**	**Assets $million**	**Liabilities $million**
Non-current						
Hedging instruments	900	(775)	794	(843)	842	(975)
Non-hedging instruments	113	(431)	161	(275)	141	(198)
	1,013	(1,206)	955	(1,118)	983	(1,173)
Current						
Hedging instruments	760	(1,135)	479	(563)	208	(948)
Non-hedging instruments	1,695	(950)	2,006	(1,022)	919	(663)
	2,455	(2,085)	2,485	(1,585)	1,127	(1,611)
	3,468	(3,291)	3,440	(2,703)	2,110	(2,784)
Analysed as:						
Commodity contracts	1,344	(660)	1,689	(742)	596	(371)
Cross-currency swaps	566	(839)	821	(308)	820	(724)
Currency forwards	684	(715)	604	(840)	466	(575)
Currency options	6	(39)	35	-	-	-
Currency swaps	4	(36)	17	(15)	17	(34)
Interest-rate swaps	84	(199)	85	(245)	121	(266)
Fuel oil swaps/options	668	(21)	106	(304)	3	(714)
Futures contracts	4	(5)	5	(5)	8	(6)
Others	108	(777)	78	(244)	79	(94)
	3,468	(3,291)	3,440	(2,703)	2,110	(2,784)

Fair value hierarchy

Classification of derivative financial instruments carried at fair value by levels (as defined in note 35):

	Level 1 $million	**Level 2 $million**	**Level 3 $million**	**Total $million**
2018				
Assets				
Non-current	-	973	40	1,013
Current	110	2,234	111	2,455
	110	3,207	151	3,468
Liabilities				
Non-current	-	(847)	(359)	(1,206)
Current	(232)	(1,161)	(692)	(2,085)
	(232)	(2,008)	(1,051)	(3,291)

	Level 1 $million	Level 2 $million	Level 3 $million	Total $million
2017				
Assets				
Non-current	-	843	112	955
Current	499	1,834	152	2,485
	499	2,677	264	3,440
Liabilities				
Non-current	-	(906)	(212)	(1,118)
Current	(133)	(1,422)	(30)	(1,585)
	(133)	(2,328)	(242)	(2,703)
2016				
Assets				
Non-current	-	928	55	983
Current	131	936	60	1,127
	131	1,864	115	2,110
Liabilities				
Non-current	-	(1,101)	(72)	(1,173)
Current	(204)	(1,393)	(14)	(1,611)
	(204)	(2,494)	(86)	(2,784)

Reconciliation of movements in Level 3 fair values:

	Derivative assets			Derivative liabilities		
	2018 $million	2017 $million	2016 $million	2018 $million	2017 $million	2016 $million
At beginning of the year	264	115	919	(242)	(86)	(12)
(Loss)/Gain recognised in the income statement as:						
- other income	(123)	87	(843)	(958)	(63)	39
- other expenses	-	-	-	-	(33)	(99)
Net (loss)/gain recognised in the income statement	(123)	87	(843)	(958)	(96)	(60)
Net loss recognised in other comprehensive income	-	-	(1)	-	-	-
Purchases	75	74	61	(69)	(12)	-
Sales	(53)	-	-	-	-	-
Settlements	(15)	(11)	(21)	220	(49)	(13)
Acquisition of subsidiaries	2	-	-	(2)	-	-
Translation differences	1	(1)	-	-	1	(1)
At end of the year	151	264	115	(1,051)	(242)	(86)

20. Investment properties

	2018 $million	2017 $million	2016 $million
Investment properties			
At beginning of the year	38,039	34,424	23,549
Acquisition/(disposal) of subsidiaries, net	1,197	59	4,903
Additions	3,654	1,510	4,264
Disposals	(521)	(392)	(29)
Transfer from property, plant and equipment/properties under development	2,027	1,292	956
Fair value gain recognised as other income in the income statement	2,249	1,123	928
Translation differences	(715)	23	(147)
Assets classified as held for sale	(1,002)	-	-
At end of the year	44,928	38,039	34,424
Properties under development			
At beginning of the year	1,988	1,898	1,947
Acquisition/(disposal) of subsidiaries, net	14	(42)	115
Additions	1,471	1,031	778
Disposals	(37)	(2)	-
Fair value gain recognised in the income statement	43	66	60
Transfer to investment properties/inventories	(2,061)	(969)	(952)
Translation differences	(59)	6	(50)
At end of the year	1,359	1,988	1,898
	46,287	40,027	36,322

Amounts recognised in the income statement:

	2018 $million	2017 $million	2016 $million
Rental income from investment properties	2,320	2,183	1,696
Direct operating expenses arising from investment properties that generated rental income	(487)	(455)	(368)

Investment properties amounting to $6,324 million (2017: $5,940 million; 2016: $4,301 million) were mortgaged to banks to secure bank loans (note 28(c)(iii)).

Investment properties and properties under development are classified under Level 3 of the fair value hierarchy.

Mapletree Investments Pte Ltd and its subsidiaries ("Mapletree")

As at 31 March 2018, the fair values of investment properties of $37,422 million (2017: $30,686 million; 2016: $28,564 million) and properties under development of $410 million (2017: $1,663 million; 2016: $1,647 million) were determined by independent professional valuers. These valuers had appropriate professional qualifications and experience in the location and category of the properties being valued. It is the intention of Mapletree to hold the investment properties and properties under development on a long term basis.

Fair values of Mapletree's properties under Level 3 of the fair value hierarchy have been generally derived using the following methods:

- Income capitalisation - Properties are valued by capitalising net rental income after property tax at a rate which reflects the present and potential income growth and over the unexpired lease term.

- Discounted cash flow - Properties are valued by discounting the future net income stream over a period to arrive at a present value.

- Direct comparison - Properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with adjustments made for differences in location, tenure, size, shape, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions.

- Residual value - Investment properties under redevelopment or development are valued, as a starting point using the direct comparison method, income capitalisation method and/or discounted cash flow method to derive the fair value of the property as if the redevelopment or development was already completed at balance sheet date. Deductions from that fair value, such as estimated construction cost and other costs to completion and estimated profit margin required to hold and develop property to completion are made to reflect the current condition of the property under redevelopment and development.

21. Deferred tax

Movements in deferred tax assets and liabilities (prior to offsetting of balances):

	Provisions $million	Tax losses and capital allowances $million	TWDV [1] in excess of NBV [2] of assets $million	Others $million	Total $million
Deferred tax assets					
At 1 April 2015	472	401	308	1,104	2,285
Acquisition/(Disposal) of subsidiaries	(9)	44	-	(37)	(2)
Recognised in income statement	10	(28)	-	98	80
Recognised in equity	(1)	(32)	(97)	(57)	(187)
Transfer from/(to) current tax payable	-	(2)	-	(17)	(19)
Translation differences	-	6	(3)	(1)	2
At 31 March 2016	472	389	208	1,090	2,159
Acquisition/(Disposal) of subsidiaries	(12)	1	-	(35)	(46)
Recognised in income statement	65	1	27	(33)	60
Recognised in equity	-	-	-	(77)	(77)
Transfer from/(to) current tax payable	21	(82)	-	71	10
Translation differences	10	(27)	5	2	(10)
At 31 March 2017	556	282	240	1,018	2,096
Acquisition/(Disposal) of subsidiaries	(104)	132	2	-	30
Recognised in income statement	27	(135)	24	(163)	(247)
Recognised in equity	5	-	-	(28)	(23)
Transfer from/(to) current tax payable	12	(3)	-	(43)	(34)
Translation differences	(24)	(4)	(6)	(21)	(55)
At 31 March 2018	472	272	260	763	1,767

(1) TWDV - Tax written down value
(2) NBV - Net book value

	Accelerated tax depreciation $million	**Revaluation gains $million**	**Others $million**	**Total $million**
Deferred tax liabilities				
At 1 April 2015	5,040	362	537	5,939
Acquisition/(Disposal) of subsidiaries	16	87	101	204
Recognised in income statement	115	75	31	221
Recognised in equity	-	(69)	18	(51)
Transfer from/(to) current tax payable	7	-	(1)	6
Translation differences	(1)	2	(5)	(4)
At 31 March 2016	5,177	457	681	6,315
Acquisition/(Disposal) of subsidiaries	18	(23)	245	240
Recognised in income statement	87	(10)	18	95
Recognised in equity	1	45	(11)	35
Transfer from/(to) current tax payable	-	-	94	94
Translation differences	(2)	4	92	94
At 31 March 2017	5,281	473	1,119	6,873
Acquisition/(Disposal) of subsidiaries	279	1	34	314
Recognised in income statement	174	116	(158)	132
Recognised in equity	-	225	4	229
Transfer from/(to) current tax payable	(1)	-	(25)	(26)
Translation differences	(4)	19	(40)	(25)
At 31 March 2018	5,729	834	934	7,497

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the balance sheet as follows:

	2018 $million	**2017 $million**	**2016 $million**
Deferred tax assets	1,030	1,397	1,382
Deferred tax liabilities	6,760	6,174	5,538

Deferred tax assets have not been recognised in respect of the following items:

	2018 $million	**2017 $million**	**2016 $million**
Deductible temporary differences	5,634	4,639	4,852
Tax losses	4,560	4,058	2,381
	10,194	8,697	7,233

Deductible temporary differences and tax losses are subject to agreement by tax authorities and compliance with tax regulations in respective countries in which certain subsidiaries operate. Deductible temporary differences and tax losses do not expire under current tax legislation except for tax losses amounting to $163 million (2017: $175 million; 2016: $124 million) which will expire between 2018 and 2028 (2017: between 2017 and 2028; 2016: between 2016 and 2028).

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries of the Group can utilise the benefits.

22. Other non-current assets

	Note	2018 $million	2017 $million	2016 $million
Loans and bills receivable of banking subsidiaries	(a)	8,233	8,826	9,100
Loans to:				
- associates and joint ventures	(b)	479	1,745	1,658
- others		325	293	282
Defined benefit assets		3	-	-
Finance lease receivables		20	50	98
Prepayments		562	504	232
Provisional goodwill on consolidation		-	-	499
Service concession receivables		981	461	228
Other receivables		1,391	1,411	1,377
		11,994	13,290	13,474
Allowance for impairment		(340)	(448)	(399)
		11,654	12,842	13,075

(a) Loans and bills receivable of banking subsidiaries

Included in loans and bills receivable of banking subsidiaries (non-current and current (note 24) are $3,568 million (2017: $3,029 million; 2016: $2,722 million) that were pledged as collateral for borrowing facilities granted to subsidiaries and $487 million (2017: $465 million; 2016: $507 million) that were pledged as collateral for bonds issued by a subsidiary (note 28(c)(iv)).

(b) Loans to associates and joint ventures

Loans to associates and joint ventures mainly consist of a loan to NetLink Trust ("NLT") of $1.10 billion by Singapore Telecommunications Limited and its subsidiaries, which carried a fixed interest rate and secured by a fixed and floating charge over NLT's assets and business undertakings. The loan was fully paid during the year ended 31 March 2018.

23. Inventories

	Note	2018 $million	2017 $million	2016 $million
Bunkers, fuel stocks and general consumables		668	605	713
Commodity inventories		6,045	7,414	6,791
Development properties held for sale		116	109	307
Finished goods		1,990	891	832
Raw materials, supplies, engineering products and sundry items		949	885	875
Work-in-progress		1,447	2,273	1,950
		11,215	12,177	11,468
Allowance for inventories		(535)	(447)	(447)
		10,680	11,730	11,021
Carried at:				
Fair value				
- Level 2 of the fair value hierarchy	(a)	3,706	4,550	4,308
- Level 3 of the fair value hierarchy		390	816	336
		4,096	5,366	4,644
Lower of cost and net realisable value		6,584	6,364	6,377
		10,680	11,730	11,021

Inventories with carrying amount of $195 million (2017: $157 million; 2016: $321 million) were pledged as collaterals to secure bank loans (note 28(c)(v)).

Inventories recognised as cost of sales for the year amounted to $28,912 million (2017: $23,017 million; 2016: $22,352 million).

(a) Inventories classified under Level 2 of the fair value hierarchy are valued using valuation techniques with market observable inputs. The models incorporate various inputs including broker quotes for similar transactions, credit quality of counter-parties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodities.

24. Trade and other receivables

	Note	2018 $million	2017 $million	2016 $million
Trade receivables		13,588	11,870	11,370
Allowance for impairment of trade receivables		(759)	(715)	(736)
Net trade receivables	(a)	12,829	11,155	10,634
Advance payments to suppliers		1,130	1,320	1,169
Amounts due from associates and joint ventures				
- trade		164	142	235
- non-trade		326	353	327
Due from customers on contracts	25	1,887	2,427	3,449
Interest and dividend receivables		758	1,147	591
Loans and bills receivable of banking subsidiaries	22(a)	7,985	9,246	8,606
Loans to:				
- associates and joint ventures		81	60	92
- others		167	152	157
Placements and balances with banks		1,458	1,747	3,069
Prepayments and deposits		2,582	2,131	1,919
Tax prepayments and recoverables		176	152	218
Other receivables		3,795	3,838	4,216
		33,338	33,870	34,682
Allowance for impairment of other receivables		(251)	(506)	(506)
		33,087	33,364	34,176

(a) Analysis of trade receivables:

	2018 $million	2017 $million	2016 $million
Not past due and not impaired	9,976	8,539	8,704
Past due but not impaired	2,853	2,616	1,930
Impaired	759	715	736
	13,588	11,870	11,370

Movements in allowance for impairment of trade receivables:

	2018 $million	2017 $million	2016 $million
At beginning of the year	715	736	537
Acquisition/(Disposal) of subsidiaries	2	(52)	(7)
Allowance recognised as an expense in the income statement	211	211	379
Allowance utilised	(148)	(195)	(184)
Translation differences	(21)	15	11
At end of the year	759	715	736

Significant exposure to non-functional currencies:

	2018 $million	2017 $million	2016 $million
US Dollar	2,344	2,640	3,556
Euro	683	290	355
Japanese Yen	294	224	208
Pound Sterling	267	332	484
Hong Kong Dollar	229	257	247

25. Contracts work-in-progress

	Note	2018 $million	2017 $million	2016 $million
Aggregated recognised contract costs and recognised profits (less recognised losses) to date		19,765	17,456	16,076
Allowance for foreseeable losses		(237)	(216)	(287)
		19,528	17,240	15,789
Progress billings		(18,626)	(15,705)	(13,271)
		902	1,535	2,518
Analysed by:				
Due from customers on contracts	24	1,887	2,427	3,449
Due to customers on contracts	32	(985)	(892)	(931)
		902	1,535	2,518

Sembcorp Industries Ltd and its subsidiaries ("Sembcorp")

During the current year, certain construction contracts were terminated, and the relevant contract revenue and related costs of sales, including contract price adjustments from contract modifications, previously recognised according to the stage of completion, were reversed through profit or loss. The amount of payment received to date on these contracts, which Sembcorp is contractually entitled to, however continues to be recognised in revenue and is not reversed. The effect of these contracts reversals of $64 million is recognised in current year's profit or loss. Work-in-progress related to these contracts has been transferred to finished goods on termination of the construction contracts.

Sembcorp conducted a review of all its long-term construction contracts and concluded that certain contracts with a few customers were loss-making, resulting in an allowance as at the balance sheet date of $201 million (2017: $190 million; 2016: $278 million). Such losses took into account the expected contract price adjustments from modifications to the original contract terms and deterioration in credit risk assessments on these customers, as well as the total costs to complete these construction contracts where the costs are expected to exceed the revised contract revenue.

26. Cash and bank balances

	Note	2018 $million	2017 $million	2016 $million
Fixed deposits		34,763	39,805	30,539
Cash on hand and at bank		12,271	12,955	12,437
Cash and bank balances in the consolidated balance sheet		47,034	52,760	42,976
Less:				
Bank overdrafts	28			
- secured		(28)	(31)	(23)
- unsecured		(107)	(192)	(199)
Restricted cash		(478)	(460)	(141)
Cash and cash equivalents in the consolidated cash flow statement		46,421	52,077	42,613

Significant exposure to non-functional currencies:

	2018 $million	2017 $million	2016 $million
US Dollar	7,760	6,260	5,849
Euro	1,201	571	440
Renminbi	783	1,090	1,510
British Pound	503	495	614
Singapore Dollar	338	752	485

27. Assets and liabilities classified as held for sale

Assets and liabilities classified as held for sale as at 31 March 2018 mainly comprise:

(a) Investment properties held by MJOF Pte. Ltd. and its subsidiaries of $896 million; and

(b) An investment in associate held by Fullerton Management Pte Ltd with a carrying amount of $360 million, in which the sale was completed in April 2018.

Assets and liabilities classified as held for sale as at 31 March 2016 mainly comprise:

(a) Seven finance-leased passenger aircrafts held by Singapore Airlines Limited and its subsidiaries ("SIA") of $242 million;

(b) Investments held by SIA of $157 million; and

(c) Disposal group classified as held for sale by Ascendas-Singbridge Pte Ltd and its subsidiaries, which comprised mainly investment properties of $332 million and trade and other payables of $184 million.

28. Borrowings

	Note	2018 $million	2017 $million	2016 $million
Bank overdrafts	26			
- secured		28	31	23
- unsecured		107	192	199
		135	223	222
Bank loans	(e)			
- secured		13,329	11,642	10,201
- unsecured		31,888	30,405	29,279
		45,217	42,047	39,480
Fixed rate notes	(f)			
- secured		2,818	2,579	3,121
- unsecured		44,444	42,887	39,729
		47,262	45,466	42,850
Floating rate notes	(f)	740	1,164	1,805
Finance lease and hire purchase obligations	(g)	504	556	780
Commercial bills		1,525	1,510	1,658
Other loans		836	589	451
Total borrowings		96,219	91,555	87,246
Analysed by:				
Non-current liabilities		80,418	73,385	68,929
Current liabilities		15,801	18,170	18,317
Total borrowings		96,219	91,555	87,246

(a) Maturity of borrowings

	Total $million	Within 1 year $million	After 1 year but within 5 years $million	After 5 years $million
2018				
Bank overdrafts	135	135	-	-
Bank loans	45,217	10,949	30,203	4,065
Fixed rate notes	47,262	2,530	24,346	20,386
Floating rate notes	740	525	215	-
Finance lease and hire purchase obligations	504	57	105	342
Commercial bills	1,525	1,525	-	-
Other loans	836	80	449	307
	96,219	15,801	55,318	25,100

	Total $million	Within 1 year $million	After 1 year but within 5 years $million	After 5 years $million
2017				
Bank overdrafts	223	223	-	-
Bank loans	42,047	13,233	25,122	3,692
Fixed rate notes	45,466	2,743	20,786	21,937
Floating rate notes	1,164	384	616	164
Finance lease and hire purchase obligations	556	71	79	406
Commercial bills	1,510	1,510	-	-
Other loans	589	6	444	139
	91,555	18,170	47,047	26,338
2016				
Bank overdrafts	222	222	-	-
Bank loans	39,480	14,269	21,896	3,315
Fixed rate notes	42,850	1,935	17,817	23,098
Floating rate notes	1,805	-	1,646	159
Finance lease and hire purchase obligations	780	78	177	525
Commercial bills	1,658	1,658	-	-
Other loans	451	155	131	165
	87,246	18,317	41,667	27,262

(b) Contractual cash flows

Expected contractual undiscounted cash flows including interest payments of significant borrowings:

		Cash flows			
	Carrying amount $million	Contractual cash flows $million	Within 1 year $million	After 1 year but within 5 years $million	After 5 years $million
2018					
Bank loans	45,217	50,635	12,205	31,710	6,720
Notes and commercial bills	49,527	61,555	6,319	29,327	25,909
	94,744	112,190	18,524	61,037	32,629
2017					
Bank loans	42,047	47,323	14,691	26,917	5,715
Notes and commercial bills	48,140	60,043	5,859	25,815	28,369
	90,187	107,366	20,550	52,732	34,084
2016					
Bank loans	39,480	43,208	15,359	23,466	4,383
Notes and commercial bills	46,313	51,933	4,192	22,803	24,938
	85,793	95,141	19,551	46,269	29,321

(c) Collateralised borrowings

The secured borrowings are collateralised by the following:

(i) property, plant and equipment (note 11(c));

(ii) intangible assets (note 12);

(iii) investment properties (note 20);

(iv) loans and bills receivable of banking subsidiaries (note 22(a));

(v) inventories (note 23); and

(vi) lien on export documents and pari passu charge on receivables, letter of credit and consumer financing receivables.

(d) Carrying amounts and fair values of borrowings

	2018 $million	2017 $million	2016 $million
Carrying amount	96,219	91,555	87,246
Fair value classification by levels (as defined in note 35):			
- Level 1	35,291	24,944	23,141
- Level 2	50,405	57,908	55,151
- Level 3	12,255	8,872	10,969
Total fair value	97,951	91,724	89,261

(e) Bank loans

These loans bear interest at rates ranging from 0.1% to 12.8% (2017: 0.1% to 23.5%; 2016: 0.1% to 23.0%) per annum.

(f) Fixed and floating rate notes

	Effective interest rate		
	2018 %	2017 %	2016 %
Fixed rate notes	0.5 – 11.0	0.7 – 11.0	0.9 – 11.0
Floating rate notes	2.5 – 5.0	1.1 – 5.0	0.3 – 4.2

The fixed and floating rate notes are mainly contributed by the following subsidiaries:

	Note	2018 $million	2017 $million	2016 $million
Temasek Financial (I) Limited	(i)	11,456	11,566	11,555
Singapore Telecommunications Limited and its subsidiaries	(ii)	7,824	8,682	8,348
Singapore Power Limited and its subsidiaries		4,568	4,125	4,119
Olam International Limited and its subsidiaries		4,361	4,063	3,627
Ascendas-Singbridge Pte Ltd and its subsidiaries		4,120	4,120	3,920

(i) *Temasek Financial (I) Limited ("TFI")*

The notes issued are part of a US$15.0 billion Guaranteed Global Medium Term Note Program (the "MTN Program"). Under the MTN Program, notes issued by TFI are fully and unconditionally guaranteed by THPL.

(ii) *Singapore Telecommunications Limited and its subsidiaries ("Singtel")*

Certain bonds, issued by Singtel Optus Pty Limited ("Optus"), a subsidiary of Singtel, amounting to $3,155 million (2017: $2,777 million; 2016: $2,767 million) are subject to a negative pledge that limits the amount of secured indebtedness of certain subsidiaries of Optus.

(g) Finance lease and hire purchase obligations

	2018 $million	2017 $million	2016 $million
Finance lease and hire purchase obligations due:			
Within 1 year	81	108	131
After 1 year but within 5 years	238	219	338
After 5 years	814	1,069	1,152
	1,133	1,396	1,621
Less: Future finance charges	(629)	(840)	(841)
Present value	504	556	780

Interest rates on finance lease and hire purchase obligations ranged from 0.3% to 25.0% (2017: 0.1% to 16.6%; 2016: 0.1% to 13.9%) per annum.

(h) Reconciliation of movements of liabilities to cash flows arising from financial activities

	Bank loans $million	Fixed rate notes and floating rate notes $million	Finance lease and hire purchase obligations $million	Commercial bills $million	Other loans $million	Derivatives^ $million	Loans from associates and joint ventures* $million	Interest payable (note 32) $million	Total $million
At 1 April 2017	42,047	46,630	556	1,510	589	(268)	5	677	91,746
Changes from financing cash flows									
Proceeds from borrowings	28,336	4,507	18	117	291	-	144	-	33,413
Repayments of borrowings	(24,922)	(2,071)			(174)	61	(3)	-	(27,109)
Repayments of finance lease and hire purchase obligations	-	-	(96)	-	-	-	-	-	(96)
Interest paid	(406)	(531)	(1)	-	-	-	-	(2,122)	(3,060)
Total changes from financing cash flows	3,008	1,905	(79)	117	117	61	141	(2,122)	3,148
Non-cash changes									
Changes arising from obtaining or losing control of subsidiaries or other businesses	1,063	-	119	-	131	-	-	-	1,313
New finance leases	-	-	7	-	-	-	-	-	7
Fair value adjustment	-	(136)	-	-	(2)	109	-	-	(29)
Effect of changes in foreign exchange rates	(1,201)	(1,050)	(41)	(136)	(42)	11	-	11	(2,448)
Interest expense	305	647	19	34	3	-	-	2,146	3,154
Others	(5)	6	(77)	-	40	-	-	-	(36)
Total non-cash changes	162	(533)	27	(102)	130	120	-	2,157	1,961
At 31 March 2018	45,217	48,002	504	1,525	836	(87)	146	712	96,855

^ Derivatives used for hedging financing activities are presented as part of derivative financial instruments (note 19).

* Loans from associates and joint ventures are presented as part of trade and other payables (note 32) and other non-current liabilities (note 31).

29. Provisions

	Note	2018 $million	2017 $million	2016 $million
Contingencies		127	112	222
Warranties		230	230	233
Others	(a)	3,273	3,071	2,730
		3,630	3,413	3,185
Analysed by:				
Non-current liabilities		988	1,053	1,069
Current liabilities		2,642	2,360	2,116
		3,630	3,413	3,185

(a) Included in Others is a provision for committed community contributions of $1,772 million (2017: $1,560 million; 2016: $1,410 million).

Movements in provisions:

	Contingencies $million	Warranties $million	Others $million	Total $million
At 1 April 2015	330	265	3,414	4,009
Acquisition/(Disposal) of subsidiaries	(12)	1	(54)	(65)
Provisions made/(reversed)	7	(3)	278	282
Provisions utilised	(114)	(33)	(910)	(1,057)
Translation differences	11	3	2	16
At 31 March 2016	222	233	2,730	3,185
Acquisition/(Disposal) of subsidiaries	(112)	(10)	5	(117)
Provisions made/(reversed)	30	42	1,044	1,116
Provisions utilised	(20)	(36)	(723)	(779)
Translation differences	(8)	1	15	8
At 31 March 2017	112	230	3,071	3,413
Acquisition/(Disposal) of subsidiaries	-	1	5	6
Provisions made/(reversed)	36	36	899	971
Provisions utilised	(23)	(35)	(705)	(763)
Translation differences	2	(2)	3	3
At 31 March 2018	127	230	3,273	3,630

30. Deferred income and liabilities

	Note	2018 $million	2017 $million	2016 $million
Customers' contributions for capital projects		201	295	314
Deferred grants and donations		277	179	199
Deferred gain on sale and leaseback transactions		55	69	14
Unearned revenue		2,882	2,775	2,781
Others	(a)	956	1,766	1,780
		4,371	5,084	5,088
Analysed by:				
Non-current liabilities		2,070	2,852	2,846
Current liabilities		2,301	2,232	2,242
		4,371	5,084	5,088

(a) Others mainly comprise:

<u>Singapore Telecommunications Limited and its subsidiaries ("Singtel")</u>

NetLink Trust ("NLT") was a business trust established as part of the Info-communications Media Development Authority of Singapore's ("IMDA") effective open access requirements under Singapore's Next Generation Nationwide Broadband Network. In prior years, Singtel had sold certain infrastructure assets, namely ducts and manholes used by OpenNet Pte. Ltd., and exchange buildings ("Assets"), and Singtel's business of providing duct and manhole services in relation to the Assets ("Business") to NLT.

The gain on disposal of Assets recorded by Singtel was deferred in the balance sheet and amortised over the useful lives of the Assets.

On 19 July 2017, Singtel sold its 100% interest in NLT to Netlink NBN Trust ("the Trust") for an aggregate consideration of $1.89 billion, comprising a cash consideration of $1.11 billion and 24.79% interest in the Trust. The net gain on disposal was $2.03 billion which included the release of deferred gains (after tax) of $1.10 billion on past sales of Assets and Business to NLT.

Following the divestment, Singtel ceased to own units in NLT but continues to have an interest of 24.79% in the Trust which owns all the units in NLT. As Singtel does not have effective control over the Trust, the Trust is equity accounted as an associate.

31. Other non-current liabilities

	2018 $million	2017 $million	2016 $million
Accrued operating expenses	2,267	1,771	1,840
Advance payments received	570	451	594
Defined benefit obligations	488	458	485
Deposits from customers	436	503	466
Others	1,554	1,392	1,008
	5,315	4,575	4,393

32. Trade and other payables

	Note	2018 $million	2017 $million	2016 $million
Trade payables		12,990	13,067	12,289
Advance payments received		1,370	1,150	978
Accrued operating expenses		6,471	6,452	6,752
Accrued capital expenditures		1,435	1,358	1,289
Amounts due to associates and joint ventures		488	390	113
Deposits and balances of non-bank customers placed with banking subsidiaries	(a)	10,018	12,444	13,239
Deposits and balances of banks placed with banking subsidiaries	18(a)	457	1,787	1,407
Deposits from customers		735	734	696
Dividend payable to equity holder of THPL		4,303	3,236	944
Due to customers on contracts	25	985	892	931
Interest payable		712	677	665
Sales in advance of carriage and tickets		2,426	1,634	1,626
Others		6,559	5,535	4,868
		48,949	49,356	45,797

(a) Deposits and balances of non-bank customers placed with banking subsidiaries (current) include amounts designated as loan collaterals of $258 million (2017: $371 million; 2016: $390 million).

Significant exposure to non-functional currencies:

	2018 $million	2017 $million	2016 $million
US Dollar	3,672	4,400	5,136
Singapore Dollar	821	534	612
Euro	464	502	340
Pound Sterling	340	461	355
Renminbi	284	361	282

The expected contractual undiscounted cash flows, including interest payments, of significant trade and other payables (comprising trade payables, accrued operating expenses and deposits and balances placed with banking subsidiaries) approximate their respective carrying amounts at the balance sheet dates, and are to be settled mainly within one year subsequent to the respective balance sheet dates.

33. Operating lease commitments

(a) Where the Group is a lessee

The Group leases a number of warehouses, property, plant and equipment, office buildings, network facilities, aircraft, vessels and terminals under non-cancellable operating leases. The leases have different terms and termination dates. Some of the leases have specific clauses such as rental escalation clauses, renewal rights and purchase options.

Commitments for future minimum lease payments under non-cancellable operating leases:

	2018 $million	2017 $million	2016 $million
Within 1 year	1,916	1,990	2,169
After 1 year but within 5 years	4,900	5,330	5,951
After 5 years	3,668	4,260	5,540
	10,484	11,580	13,660

Details of significant operating lease commitments:

Singapore Airlines Limited and its subsidiaries ("SIA")

Aircraft

SIA has three B777-300ERs, twenty-one A330-300s and five A380-800s aircraft under operating leases at fixed rental rates. In three of the A380 lease agreements, lease rentals will be adjusted if the one-month LIBOR exceeds 6.50% per annum. The original lease terms range from 8 to 12 years.

For flexibility in fleet planning, most leases include extension options. The extension options provide for lease renewals up to a maximum of five years. In addition, there are 15 early termination options that allow termination of the leases up to two years prior to original lease expiry. Sub-leasing is allowed under all the lease arrangements.

SilkAir (Singapore) Private Limited ("SilkAir"), a subsidiary of SIA, has three A319-100s, eight A320-200s, and nine B737-800s under operating leases with fixed rental rates. The original lease terms for the three A319-100s range from 6.9 to 11.5 years, and SilkAir holds options to extend the leases for up to a maximum of three years. The original lease terms for the eight A320-200s range from 6.6 to 11.8 years and SilkAir holds options to extend the leases for one to five years. The original lease terms for the nine B737-800s range from 9.8 to 10.5 years, and SilkAir holds options to extend the leases for up to a maximum of four years. Sub-leasing is allowed under all the lease arrangements.

Budget Aviation Holdings Private Limited (“BAH”), a subsidiary of SIA, has twenty-nine A320-200 aircraft and two A319 aircraft under operating leases. The original lease terms on the aircraft are for 12 years. Sub-leasing is allowed under all the lease arrangements, subject to certain terms and conditions stated in the agreements.

Engines

SIA has operating lease agreements for four GE90-115B engines and six Trent 800 engines with fixed rental rates. The basic lease term for each engine varies from 5 to 6 years with extension options.

BAH has three spare engines under operating leases. The original lease terms on the engines are for 1 to 14 years. Sub-leasing is allowed under all the lease arrangements.

Property and equipment

SIA has entered into operating lease agreements for office and computer equipment, leasehold land and buildings. These non-cancellable leases have lease terms of between 1 to 50 years.

(b) Where the Group is a lessor

The Group leases out certain of its aircraft, investment properties and property, plant and equipment under operating leases. Some of the leases have escalation clauses and renewal rights.

Non-cancellable operating lease receivables:

	2018 $million	2017 $million	2016 $million
Within 1 year	2,953	2,552	2,310
After 1 year but within 5 years	6,144	5,027	4,786
After 5 years	2,968	2,412	2,847
	12,065	9,991	9,943

34. Financial risk management of financial assets and liabilities

Financial assets comprise investments in equity and debt securities, other non-current assets, trade and other receivables, cash and bank balances and derivative financial assets. Financial liabilities comprise trade and other payables, borrowings, other non-current liabilities and derivative financial liabilities.

Carrying amounts of financial instruments by categories:

	2018 $million	**2017 $million**	**2016 $million**
Loans and receivables	87,322	94,859	86,190
Available-for-sale financial assets	123,242	93,550	82,243
Held-to-maturity financial assets	185	613	996
Held for trading financial assets	6,383	5,135	5,367
Financial assets at fair value through profit or loss on initial recognition	18,574	15,210	13,250
Derivative financial instruments, net	177	737	(674)
Financial liabilities	(145,629)	(141,793)	(133,753)

(a) Financial risk management objectives and policies of Temasek Holdings (Private) Limited ("THPL")

THPL is an investment company that owns and manages its assets based on commercial principles. As a general principle, THPL does not issue any financial guarantee for the financial obligations of its portfolio companies.

Portfolio companies are guided and managed by their respective boards and management. THPL does not direct the commercial and operational decisions of these portfolio companies, but holds their respective boards accountable for the capital and risk management processes and financial performance of their companies. Financial risk management of these portfolio companies is managed by their management teams and supervised by their respective board of directors.

Disclosures of financial risk management of financial assets and liabilities relating to certain operating subsidiaries which contributed significantly to the consolidated financial assets and liabilities of the Group are set out in note 34(d). These disclosures are extracted from the financial risk management section of the respective operating subsidiaries' financial statements.

The disclosures in the following sections up to note 34(c) relate to risk management objectives and policies of THPL and its Investment Holding Companies (as defined in the following paragraph), together known as "Temasek".

Investment Holding Companies ("IHCs") are defined as THPL's direct and indirect wholly-owned subsidiaries, whose boards of directors or equivalent governing bodies comprise employees or nominees of (1) THPL, (2) Temasek Pte. Ltd., a wholly-owned subsidiary of THPL, and/or (3) wholly-owned subsidiaries of Temasek Pte. Ltd.

The principal activities of THPL and its IHCs are that of investment holding, financing and/or the provision of investment advisory and consultancy services.

THPL Board determines the objectives and overall direction for its risk management framework and functions. Under the Board's guidance, the Chief Executive Officer and Senior Management team promote a culture of risk awareness and balanced risk-taking.

Enterprise risks, including the management of financial risks, are factored into the day to day decision making of Temasek on investments, divestments, company policies and processes. These decisions are taken under the supervision of the Chief Executive Officer and Senior Management team.

Temasek's established approval authorities, company policies and standard operating procedures continue to drive its end-to-end process controls. These procedures also cover Temasek's reporting requirements to the Board, Board Committees and Senior Management to apprise them of the relevant risk issues.

Not all risk considerations can be measured in quantitative terms, especially when such measurements are not available or impractical to compute. The methodology applied in the year ended 31 March 2018, is fundamentally similar to that of previous years.

(b) Financial risk profile of Temasek's portfolio

THPL's portfolio comprises mainly equities. As at 31 March 2018, THPL's net portfolio value of $308 billion (2017: $275 billion; 2016: $242 billion):

(i) refers to the sum of (1) the market value of investments in publicly-listed securities as of such specified date and (2) the fair value of investments in unlisted securities, in each case held directly by THPL or indirectly through an IHC, whether such holding is for the short term or the long term; and

(ii) takes into account the net amount of other assets and liabilities of THPL and its IHCs.

In respect of note 34(b)(i)(2), the fair value of unlisted available-for-sale investments is based on valuation methods in accordance with FRS, and the fair value of investments in unlisted subsidiaries, associates and joint ventures is based on the sum of (1) proportionate share of the shareholders' equity as set out in the financial statements of the relevant portfolio companies as at their respective financial year ends or latest available financial statements and (2) any premium paid, net of any subsequent impairment. In the case of unlisted subsidiaries, associates and joint ventures that hold substantially investments in publicly-listed securities, the fair value of investments in such unlisted subsidiaries, associates and joint ventures will take into account the market value of the underlying publicly-listed securities which they hold.

The above valuation policy has been approved by the Audit Committee.

Financial risks comprise mainly market risk, liquidity risk and credit risk. Market risks include equity price risk, foreign currency risk and interest rate risk.

As Temasek's portfolio comprises mostly equities, market risk exposure of Temasek's portfolio arises mainly from changes in equity prices, and such risk exposure is reflected in marked-to-market ("MTM") changes of the portfolio, including foreign exchange rate movements of the portfolio. More details are provided in note 34(c)(i).

Temasek has the flexibility to adopt a long-term view on its investments and is lightly geared with minimal liabilities. As such, while its portfolio is exposed to share price movements, Temasek does not necessarily have to liquidate its holdings in response to short-term fluctuations in the markets. With low gearing, interest rate risk exposure due to debt repricing is expected to be relatively low. More details are provided in note 34(c)(i) and (iii).

(c) Financial risk management processes and exposures

(i) Market risk

To assess the market risk of its portfolio, Temasek uses a Value-at-Risk ("VaR") statistical model that estimates the potential decline in portfolio value over a given period, based on historical market behaviour. Although VaR estimates are highly dependent on the assumptions and parameters used and can vary significantly in different market scenarios, they serve to provide a useful quantitative marker of relative and potential risks under normal market conditions. The total diversified VaR of Temasek's portfolio is reported to Temasek's Senior Management on a monthly basis and its Board of Directors on a quarterly basis.

As a long-term investor, Temasek computes an annual VaR to give its stakeholders a sense of how the portfolio might decline in value over a 12-month holding period. Monte Carlo simulation at 84% confidence level based on three years of weekly price data are used to compute the VaR with most weight assigned to the most recent 6 months. This is based on the assumption that the most recent 3-year history would be indicative of market behaviour over the next 12 months.

As at 31 March 2018, the VaR of Temasek's portfolio was about $36 billion (2017: $22 billion; 2016: $33 billion). This implies a 16% probability of its portfolio incurring MTM losses in excess of $36 billion (2017: $22 billion; 2016: $33 billion), on a net portfolio value of $308 billion (2017: $275 billion; 2016: $242 billion), in the following 12 months, assuming that the portfolio composition remains unchanged. This means that there is a 84% probability of an outcome better than a decline of portfolio value of $36 billion. The process also generates an indication of the upside potential for the portfolio even though conventional VaR reporting only focuses on the downside.

Over the financial year ended 31 March 2018, the VaR increased by $14 billion (2017: decreased by $11 billion; 2016: increased by $14 billion) while Temasek's net portfolio value increased by $33 billion (2017: increased by $33 billion; 2016: decreased by $24 billion). At 12% of the value of the portfolio as at 31 March 2018, VaR as a percentage of the portfolio increased from 31 March 2017, which stood at 8%.

The top 10 investment holdings contributed 48% (2017: 57%; 2016: 52%) of the total diversified VaR.

Although VaR provides valuable insights and a basis for comparing risks between investments, no single risk measure can capture all aspects of market risk in Temasek's portfolio. To complement the VaR measure, Temasek also conducts monthly stress tests and scenario analyses to gauge the effect of low probability but high impact events. Temasek has recalibrated the stress parameters during the course of 2009 and the Global Financial Crisis of 2008/2009 has continued to be an integral part of its stress tests.

(ii) Foreign currency risk

Foreign currency risk exposures comprise mainly transactional and translational foreign currency risks. Transactional foreign currency risk refers to cash flow related risk arising from Temasek's foreign currency denominated investments and related operating cash flows. Translational foreign currency risk refers to exchange rate impact on the balance sheet when translating Temasek's foreign currency portfolio into its Singapore Dollar functional currency.

It is Temasek's policy not to take positions in currencies with a view to making trading gains from currency movements. Where currency exposures arise naturally in the course of Temasek's business of investing and divesting in foreign currency denominated assets or international businesses, Temasek considers the merits of hedging transactional and translational foreign currency exposures on an economic basis.

Generally, Temasek uses forward contracts primarily to hedge its transactional currency exposures with known cash flow timeline and its translational foreign currency exposure. Such contracts allow Temasek to buy or sell currencies at market determined exchange rates and are executed purely for hedging purposes.

Transactional foreign currency exposures

Temasek's transactional foreign currency risk arises from its foreign currency denominated investments and related cash flows, including divestment cash flows, dividend receipts and operating expenses.

Translational foreign currency exposures

The translational foreign currency exposures of Temasek arise mainly from its investments in portfolio companies. When translating the value of these investments back to its functional currency, Singapore Dollars, it is subjected to volatility in foreign exchange movements.

Due to the long investment holding period, the cost of hedging such balance sheet exposures on a rolling basis can be costly. As such, Temasek only enters into selective currency hedges when the long term cost of the hedging program is expected to be off-set by the long term trajectory of the currency.

For all other investments, the foreign currency risk is therefore embedded in the projected risk-adjusted return calculation. Temasek also borrows in foreign currencies within its approved debt issuance limit which provides a partial natural hedge against the translational foreign currency exposure of its portfolio.

Foreign currency risk of financial assets, derivatives, cash and cash equivalents and borrowings accounts for 14% (2017: 21%; 2016: 21%) (before diversification effects) of Temasek's VaR.

(iii) Interest rate risk

Exposure to interest rate risk relates primarily to interest bearing liabilities. Temasek manages the interest rate risk by maintaining a mix of fixed and floating interest bearing liabilities of various maturities. Where necessary, Temasek also enters into derivative financial instruments such as interest rate swaps to hedge against potential interest rate risks, with the prior approval of Temasek's Senior Management Committee.

Interest rate risk accounts for 1% (2017: 3%; 2016: 2%) (before diversification effects) of Temasek's VaR.

(iv) Counterparty credit risk

Temasek has a counterparty credit risk management framework in place and the exposure to counterparty credit risk is monitored on an ongoing basis.

Counterparty credit risk arises mainly from the following activities:

- placement of cash and fixed deposits with banks;
- MTM gains from financial transactions before settlement of the trades;
- non-simultaneous transfer of payment and receipt currencies and/or securities when settling trades; and
- placement of financial assets in custody of custodians.

The maximum exposures arising from the placement of cash and fixed deposits with banks, non-simultaneous transfer of payment and receipt currencies and/or securities when settling trades and placement of financial assets in custody of custodians are the gross market value of the cash or asset transacted. The maximum exposure from MTM gains from financial transactions before settlement of the trades is the gross positive MTM, or net position MTM if legal netting arrangements are in place.

Limits on maximum exposure are imposed on the counterparties and where appropriate, Temasek seeks to reduce its counterparty's exposures by having in place legally enforceable netting agreements and collateral arrangements. Regular review of approved counterparties is also carried out.

(v) Liquidity risk

The liquidity needs for Temasek to manage its portfolio arise mainly from operational expenses and dividends to its shareholder. Being lightly geared with minimal liabilities recorded at THPL and its Investment Holding Companies and with a significant part of the investment portfolio comprising tradeable securities, there is no significant liquidity risk.

Temasek manages this liquidity risk through a combination of optimal cash holding and maintenance of credit facilities and borrowings. Excess funds are invested in short-term bank deposits and liquid securities that can be readily convertible to cash if required.

(d) Financial risk management objectives and policies of operating subsidiaries managed by their respective management

THPL does not direct the commercial and operational decisions of its portfolio companies, but holds their respective boards accountable for the capital and risk management processes and financial performance of their companies. Financial risk management of these portfolio companies is managed by their management teams and supervised by their respective board of directors.

The following disclosures on financial risk management of financial assets and liabilities relating to certain operating subsidiaries, which contributed significantly to consolidated financial assets and liabilities of the Group, are extracted from their respective financial statements.

PT Bank Danamon Indonesia Tbk and its subsidiaries ("Danamon")

Danamon is a subsidiary of Fullerton Financial Holdings Pte. Ltd.

The following disclosure is extracted from the financial statements of Fullerton Financial Holdings Pte. Ltd. and its subsidiaries, a wholly owned subsidiary of Fullerton Management Pte Ltd.

Risk management framework

Danamon is managed by its management, and guided and supervised by its Board. Fullerton Financial Holdings Pte. Ltd. does not direct Danamon's commercial and operational decisions, but holds Danamon's Board accountable for the financial performance and risk management processes of Danamon. As such, financial risk management of Danamon is the responsibility of its management team and supervised by its Board of Directors. The following sets forth the risk management disclosures of Danamon as primarily extracted from its financial statements for the years indicated, adjusted for differences in accounting standards and classifications, as applicable.

The organisation of Danamon's risk management involves oversight from the Board of Commissioners, the Board of Directors, and the Risk Monitoring Committee. The Risk Monitoring Committee is a committee that monitors risk at the Board of Commissioners' level. This committee functions as a supervisory board to monitor the implementation of risk management strategies and policies and evaluate the Board of Directors' accountability in managing the risk exposure across businesses both in the Danamon and its Subsidiaries. The Risk Monitoring Committee meets every month to analyse the performance of the loan portfolio and discuss other matters related to risk issues, mitigation mechanisms and potential losses. The Board of Commissioners delegates authority to the President Director and Board of Directors to implement the risk management strategy. The Risk Management Committee is established at the Board of Directors level and is responsible to oversee the day to day risk management strategy and policy development, manage overall risk both in the Danamon and its Subsidiaries, and oversee the implementation of strategies, policies and evaluate significant risk issues. The Risk Management Committee is chaired by the Integrated Risk Director. Further to the Financial Services Authority (OJK) Regulation on Integrated Risk Management of Financial Conglomeration, Danamon established an Integrated Risk Management Committee which is chaired by the Integrated Risk Director and the members consist of Danamon's Board of Directors, appointed Directors from each subsidiary and other related Executive Officer as nominated. The main function of Integrated Risk Management Committee is to provide recommendations to the Danamon's Board of Directors in relation to the preparation, improvement or enhancement of the Integrated Risk Management Policy to the Board of Directors of Danamon.

In line with the Financial Services Authority Regulation and industry best practices, Danamon has established an Integrated Risk function. Integrated Risk function combines credit, market, liquidity, and operational risks under one umbrella. This function is chaired by the Integrated Risk Director and fully staffed with experienced risk managers. It is a centralized and independent function, clearly separated with no reporting line or responsibility to business.

Danamon's principles of risk management are implemented proactively to support the achievement of sustainable growth. Therefore Danamon's risk management policy has been designed to create and implement a comprehensive approach to identify, measure, manage, and monitor the risks that Danamon faces in doing its business. Danamon's risk management policies are established to identify and analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. Danamon, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles, responsibilities, and obligations.

The Integrated Risk Management Policy has been reviewed and approved consistent with Bank Indonesia's regulation regarding Risk Management implementation for commercial banks and Financial Service Authority regulation regarding Integrated Risk Management Implementation for Financial Conglomeration. This policy is used as a guideline in the implementation of risk management at Danamon. The Integrated Risk Management Policy is reviewed periodically.

To improve risk awareness among employees and support Danamon's growth, the Integrated Risk Management in collaboration with Danamon Corporate University has established a Risk Management Academy covering Credit, Market, Liquidity and Operational Risk Management. The Risk Management Academy covers all employees. The syllabus consists of Basic, Intermediate, and Advanced Risk trainings. All training material has been completed and training has been carried out every year.

Danamon is actively involved in the preparation of Basel II/III implementation in accordance with Bank Indonesia ("BI") guidelines.

Under Capital Adequacy Basel II Pillar 1, Danamon has adopted the Standardised Approach for credit and market risk and the Basic Indicator Approach for operational risk.

For Capital Adequacy Basel II Pillar 2, Danamon has implemented Internal Capital Adequacy Assessment Process ("ICAAP") mechanism.

Internal Capital Adequacy Assessment Process is a self-assessment process whereby Danamon does not only cover capital adequacy from basic risks under Pillar 1 (Credit, Market & Operational Risk) but also take into consideration capital adequacy of other risks, as specified in Pillar 2 Basel & OJK regulation.

In addition to capital adequacy calculation based on risk profile rating as mandated by OJK, Danamon also uses internal ICAAP Framework to derive each of the risk components:

- Credit Concentration Risk
- Banking Book Interest Risk
- Liquidity Risk
- Stress Test Impact

In accordance with the regulation, Danamon's Internal Audit also annually reviews the ICAAP independently. As part of Basel II Pillar 3, Disclosure and Market Discipline was also implemented by Danamon from 2012 through its Annual Report publication as per BI regulation.

Danamon's Risk Management Committee is responsible to determine and recommend the risk management plan, policies, guidance, framework and strategies for Danamon and its subsidiaries.

(i) Credit risk

Credit risk is the potential financial loss caused by the failure of the borrower or counterparty in fulfilling its obligations. Credit risk exposure at Danamon primarily arises from lending activities as well as other functional activities such as trade finance, treasury and investment. Credit risk exposure can also increase due to the concentration of credit on certain debtor, geographic region, products, type of financing or business field. The objective of credit risk management is to control and manage credit risk exposures within acceptable limits in accordance with risk appetite, while optimising the risk adjusted returns.

Credit risk is managed through established policies and processes covering credit acceptance criteria, credit origination and approval, pricing, monitoring, problem loan management and portfolio management. Product programs and credit guidelines have also been developed by each business unit by referring to the established Credit Risk Policies and are reviewed regularly by related units.

Danamon's Credit Risk Policy is the core policy and main reference framework for the implementation of credit risk management in Danamon and its Subsidiaries. This policy, together with the credit risk guidelines, regulate a comprehensive risk management process from identification, measurement, monitoring up to risk control. All credit risk policies and guidelines are reviewed periodically to comply with applicable regulations and adjusted to the level of risk appetite of the Bank.

Starting April 2017, Danamon has established a Chief Credit Officer ("CCO") unit that is independently responsible for managing credit risk effectively. This unit is separated from the Integrated Management Risk unit.

Danamon closely monitors the performance of its loan portfolios, including its subsidiaries that enable Danamon and its subsidiaries to initiate preventive actions in a timely manner when deterioration is observed in credit quality. To detect possible problem loans, Danamon also has a Watch List for SME and Enterprise Banking segment customers.

Management Information Systems are also in place and cover a significant level of detail to detect any adverse development at an early stage, thus allowing for timely actions on the deterioration in credit quality or to minimise credit losses.

Danamon continues to actively manage and monitor the loan portfolio quality by improving credit risk policies effectively, improving procedures, and systems development in an effort to monitor the negative impact caused by non-performing loans. Danamon also reviews all relevant processes and policies on an ongoing basis, including any adjustment required due to changes in BI and Financial Services Authority regulation and developments in the external economic factors.

The creditworthiness of an individual counterparty is evaluated and appropriate credit limits are established. Credit limits set forth maximum credit exposures Danamon is willing to assume over specified period. Credit limits established for industries, countries and products to ensure broad diversification of credit risk and to avoid undue concentration.

Danamon has established a Customer Rating process for its borrowers. The ratings and Probability of Default were developed internally in consultation with an external analytics consultant. This probability of default is mapped to Danamon's Rating Scale to be applied to all asset classes in the line of businesses.

Collateral management

Danamon employs policies to mitigate credit risk, by requiring collateral to secure the repayment of loan if the main source of debtor's payment based on its cash flow is not fulfilled. Collateral types that can be used for working capital and investment loans to mitigate the risk include cash (including deposits from customers), land and/or building, Standby Letter of Credit/Bank Guarantee received by Danamon, machinery, vehicle, trade receivable, inventory, shares or other marketable securities. Estimates of fair value of collateral held by Danamon are based on the value of collateral assessed internally or externally by independent appraisers.

Collateral held as security for financial assets other than loans depends on the nature of the instrument. Debt securities, treasury, and other eligible bills are generally unsecured, except for asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. Particularly for corporate customers, the required collateral can be in the form of margin collateral.

Maximum exposure to credit risk

For financial assets recognised in the consolidated statement of financial position, the maximum exposure to credit risk equals their carrying amount. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that Danamon would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the un-drawn committed credit facilities granted to customers.

Concentration of credit risk analysis

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Danamon encourages the diversification of its credit portfolio among a variety of geographic areas, industries, credit products, individual obligors, reflecting a well-balanced and healthy risk profile, and to focus marketing efforts toward potential industries and customers in order to minimise the credit risk. Danamon has set its industry concentration limit based on industry risk level and also availability of capital.

The extent of diversification is based on Danamon's strategic plan, target sectors, current economic conditions, government policy, funding sources and growth projections.

Stress testing

Stress testing is a method of risk measurement which estimates the potential economic loss to Danamon under abnormal market conditions in order to ascertain the sensitivity of Danamon's performance to changes in risk factors and to identify influencing factors that significantly impact Danamon's revenue and capital. Bank wide stress tests must be conducted at least annually or when there is an occurrence of event or events that has a significant negative impact to Danamon's portfolio earnings. All lines of business and subsidiaries are responsible to conduct bank wide stress tests. Scenarios for annual bank wide stress tests are defined into three categories: Mild, Moderate, and Severe based on the severity of macroeconomic factors used in the scenarios (e.g.: gross domestic product ("GDP"), inflation, IDR/USD, etc). In addition to scenarios built around historically observed events, hypothetical adverse events and their impact are also considered. This is done in collaboration with Danamon's economist team together with Integrated Risk, Credit from each line of business, and Chief Credit Officers/Senior Credit Officers based on their view of possible macroeconomic developments.

In addition to the yearly stress test conducted, additional stress tests are conducted throughout the year depending on the occurrence of economic or industry specific events. These types of stress test are typically done per industry (e.g. coal, palm oil, etc.) due to events in the industry that might influence the customer's ability to pay. In these exercises, the market conditions assessed pertain to current events that happen in a specific industry (e.g. drop in coal price, new regulation from government that might result in high inflation, etc.).

Repossession

During the year the following assets were repossessed by Danamon:

	2018 Carrying amount $million	2017 Carrying amount $million	2016 Carrying amount $million
Type of assets			
Property, land and building	52	14	1
Motor vehicles	-	1	-
	52	15	1

Credit quality

Credit quality is determined based on three pillars, namely: business prospect, financial performance and repayment capability of the borrower. In particular, the credit quality in relation to loans and advances are differentiated as follows:

- Pass represents credit facilities which demonstrate strong growth in business, high and stable earnings, strong capital and liquidity, prompt repayment for principal and/or interest and compliance with credit terms and conditions.

- Special mention represents credit facilities which demonstrate limited growth of business, fairly good earnings, capital and liquidity but with potential for decline. The arrears in principal and/or interest is up to 90 days.

- Substandard represents credit facilities which demonstrate very limited growth of business, low earnings and limited cash flow to meet the liabilities. The arrears in principal and/or interest is exceeding 90 days but no more than 120 days.

- Doubtful represents credit facilities which demonstrate declining in the business, negative earnings and very low liquidity that shows inability to repay principal or interest. The arrears in principal and/or interest is exceeding 120 days but no more than 180 days.

- Loss represents credit facilities which demonstrate borrowers' financial condition in serious doubt, sustaining heavy losses and unable to meet all liabilities. The arrears in principal and/or interest are exceeding 180 days.

Credit quality of financial assets

Danamon's financial assets are disclosed below.

	Placements and balances with other banks $million	Loans to and bills receivable from non-bank customers $million	Investment debt securities $million	Government securities $million	Derivative receivables $million	Other financial assets $million
2018						
Carrying amount						
Individually impaired	-	237	-	-	-	-
Collectively impaired	499	12,461	-	-	-	82
Neither past due# nor impaired	-	-	538	1,655	10	315
Impairment	(1)	(418)	-	-	-	(1)
Total	498	12,280	538	1,655	10	396
2017						
Carrying amount						
Individually impaired	-	367	-	-	-	-
Collectively impaired	513	13,271	-	-	-	90
Neither past due# nor impaired	-	10	550	1,827	28	311
Impairment	(1)	(488)	-	-	-	(2)
Total	512	13,160	550	1,827	28	399
2016						
Carrying amount						
Individually impaired	-	325	-	-	-	-
Collectively impaired	982	12,823	-	-	-	94
Neither past due# nor impaired	-	11	487	861	101	687
Impairment	(1)	(452)	-	-	-	(3)
Total	981	12,707	487	861	101	778

Past due refers to receivables that are overdue by 1 day or more.

Danamon's financial assets with designated credit classifications are stipulated below.

	Placements and balances with other banks $million	Loans to and bills receivable from non-bank customers $million	Derivative receivables $million	Other financial assets $million
2018				
Carrying amount				
Pass	498	10,826	10	396
Special mention	-	1,233	-	-
Substandard	-	46	-	-
Doubtful	-	96	-	-
Loss	-	79	-	-
Total	498	12,280	10	396
2017				
Carrying amount				
Pass	512	11,732	28	399
Special mention	-	1,188	-	-
Substandard	-	56	-	-
Doubtful	-	68	-	-
Loss	-	116	-	-
Total	512	13,160	28	399
2016				
Carrying amount				
Pass	981	11,248	101	778
Special mention	-	1,215	-	-
Substandard	-	60	-	-
Doubtful	-	88	-	-
Loss	-	96	-	-
Total	981	12,707	101	778

The credit quality of government securities and investment debt securities is further illustrated as follows:

	Government securities $million	Investment debt securities $million
2018		
AAA	-	304
AA- to AA+	-	109
A- to A+	-	32
Lower than A-	1,655	50
Unrated	-	43
Total	1,655	538
2017		
AAA	-	267
AA- to AA+	-	111
A- to A+	-	53
Lower than A-	1,827	68
Unrated	-	51
Total	1,827	550
2016		
AAA	-	180
AA- to AA+	-	117
A- to A+	-	65
Lower than A-	861	102
Unrated	-	23
Total	861	487

The analysis has been based on Moody's, Fitch's and Pefindo's ratings where applicable.

Allowance for impairment

Danamon establishes an allowance for impairment losses on financial assets carried at amortised cost or classified as available-for-sale ("AFS") that represents its evaluation of the collectability of each financial asset. The main components of this allowance are specific and collective impairment losses.

There were no loans and advances which were past due and not impaired at the balance sheet date.

Write off policy

Financial assets are written-off against the respective allowance for impairment losses when they are classified as Loss. In line with BI's regulation, write off is the administrative action of Danamon in writing off loans and advances from the statements of financial position in the amount of receivables due from the customer, without however cancelling Danamon's right to claim against the debtors.

Fair value of collateral and other security enhancements held

Danamon holds collateral against loans to and bills receivables from non-bank customers primarily in the form of properties, ships, machine equipment, receivables and cash collateral.

Generally, collateral is not held in relation to loans and placements to banks (except when securities are held as part of securities purchased under resale agreements). As at the balance sheet date, there was no collateral held in relation to security purchased under resale agreements.

An estimate of the lower of fair value of collateral and other security enhancements held and carrying amounts of the financial assets as at the balance sheet date is shown below. This excludes the value of collateral and other security enhancements that are determined by management not to be enforceable (legally or practically) by Danamon.

	Loans to and bills receivable from non-bank customers		
	2018 $million	**2017 $million**	**2016 $million**
Land and buildings	3,940	4,121	3,930
Ships	92	143	227
Heavy equipment	187	279	279
Cash collaterals	139	156	181
Vehicles	52	54	61
Debt securities	7	15	15
Inventory	302	291	328
Others	594	592	552
	5,313	5,651	5,573

Concentration of credit risk by sector and industry of issuer

	2018			2017			2016		
	Loans to and bills receivable from non-bank customers $million	**Derivative receivables $million**	**Others# $million**	**Loans to and bills receivable from non-bank customers $million**	**Derivative receivables $million**	**Others# $million**	**Loans to and bills receivable from non-bank customers $million**	**Derivative receivables $million**	**Others# $million**
Concentration by sector									
Manufacturing	1,788	-	146	1,817	1	208	1,788	4	517
Electricity, gas and water	8	-	-	17	-	-	22	-	-
Agriculture and farming	325	-	-	328	-	-	391	-	-
Business services	173	-	-	206	-	-	202	-	-
Public services	101	-	-	157	-	-	176	-	-
Transportation and warehousing	456	-	-	483	-	-	570	-	-
Mining	82	-	-	139	-	-	167	-	-
Construction	199	-	-	170	-	-	158	-	-
Financial institutions	486	10	524	555	27	539	480	97	1,014
Retail	8,393	-	171	8,975	-	98	8,871	-	95
Others	687	-	624	801	-	702	334	-	692
Impairment	(418)	-	(2)	(488)	-	(3)	(452)	-	(4)
	12,280	10	1,463	13,160	28	1,544	12,707	101	2,314

Included in "Others" are placements and balances with other banks, other financial assets, irrevocable letters of credit, undrawn credit facilities, guarantees and standby letters of credit.

	2018		2017		2016	
	Investment debt securities $million	**Government securities $million**	**Investment debt securities $million**	**Government securities $million**	**Investment debt securities $million**	**Government securities $million**
Industry of issuer						
Agriculture, mining and quarrying	4	-	1	-	1	-
Manufacturing	3	-	1	-	13	-
Building construction	5	-	4	-	6	-
Financial institutions	306	-	438	-	171	-
Others	220	1,655	106	1,827	296	861
	538	1,655	550	1,827	487	861

(ii) Market risk

Market risk is the risk of loss arising from adverse movement in market variables in portfolios held by Danamon which are defined as interest rates and exchange rates.

Market risk exists at a bankwide level, as well as treasury business level. These include exposure in securities and money market, equity participation in other financial institutions, provisions of funds (loans and other similar forms), funding and issuance of debt instruments, and trade financing activities.

The objective of market risk management is to identify, measure, control, and manage market risk exposures within acceptable parameters, while optimising the returns. This is done through a comprehensive policy and limit framework to identify, measure, and monitor the amount of risk based on the risk appetite of Danamon. Market risk limits are allocated at a bankwide level and are reported and monitored by Market and Liquidity Risk Division on a daily basis.

The Market and Liquidity Risks Division is responsible for identifying, measuring, monitoring and controlling market risk in Danamon, based on framework approved by the Assets and Liability Committee ("ALCO"). ALCO acts as the apex senior management forum charged with making all policy decisions regarding market and liquidity risk management. The Risk Management Committee ("RMC") confirms and endorses ALCO decision.

Market risk monitoring and controlling is implemented through a limit framework which is periodically reviewed in order to accomplish a more sensitive limit structure. The limits are set for Trading and Interest Rate Risk in the Banking Book (including AFS Portfolio and derivative for Funding & Hedging).

Overall, market risk is divided into two following risks:

(a) Foreign exchange risk

Foreign exchange risks arise from on and off-balance sheet positions both on the asset and liability sides through transactions in foreign currencies.

Danamon measures the foreign exchange risk to understand the impact of the exchange rate movement on Danamon's revenue and capital. In order to manage and mitigate the foreign exchange risk, predefined limits are set on top of the 20% regulatory limit. For net open position ("NOP"), Danamon is introducing a more risk sensitive measurement, such as Value at Risk ("VaR") for internal analysis purpose as an indicator. VaR is incorporated in stages in market risk limit framework.

The NOP ratio of Danamon at the balance sheet date, based on BI's prevailing regulations are as follows:

	2018	2017	2016
NOP Ratio (on and off-balance sheet)[#]	0.8%	0.7%	0.3%

[#] The NOP Ratio is calculated based on percentage of total net open position over total Tier I and Tier II capital.

Sensitivity analysis

In addition to the NOP ratio monitoring, Danamon also monitors the foreign exchange sensitivity. Danamon performs simulations to illustrate the exposure if there are movements in the foreign exchange. Factor sensitivity for foreign exchange is defined as the total amount of exposure for each foreign exchange given unit changes by 1%.

	1% increase $million	1% decrease $million
2018		
Gains/(losses) on exchange rate change	(0.2)	0.2
2017		
Gains/(losses) on exchange rate change	(0.1)	0.1
2016		
Gains/(losses) on exchange rate change	(0.1)	0.1

(b) Interest rate risk

Interest rate risk is the probability of loss that may occur from adverse movement in market interest rates vis-à-vis Danamon's position or transaction.

Danamon manages its interest rate risk through the use of repricing gap analysis and Earning-at-Risk ("EAR"). EAR measures the impact of interest rate changes to Danamon's net income in a period of up to 1 year. To enhance Danamon's management of interest rate risk, Danamon has implemented Economic Value of Equity ("EVE"). EVE provides a measurement of interest rate risk over a longer period as well as an estimation of the effect of interest rate changes to the value of Danamon's capital.

The trading book is managed through position and more interest rate risk sensitive measurements such as DV01 (per bucket tenor and per currency) and Stop Loss Limit. Market risk limits are established using these measures to manage interest rate exposures.

Sensitivity analysis

The interest rate risk management is supplemented by regularly conducting sensitivity analyses on scenarios to see the impact of changes in interest rate. The analysis focuses on Danamon's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curve.

Methods used are EAR and EVE. Under both of these methods, sensitivity analysis is conducted by increasing and decreasing interest rates by 100 basis points ("bps").

EAR and EVE incorporate the potential impact of interest rate volatility and are not limited to 1 bps parallel movement, which provides a better estimation of potential losses.

Sensitivity to interest rate risk

	100 bps parallel			
	Increase		**Decrease**	
	Effect on income statement $million	**Effect on equity $million**	**Effect on income statement $million**	**Effect on equity $million**
2018 [(i)]				
Indonesian Rupiah	14	(60)	(14)	62
US Dollar	3	(7)	(3)	7
2017 [(i)]				
Indonesian Rupiah	11	(58)	(11)	60
US Dollar	1	(4)	(1)	4
2016 [(i)]				
Indonesian Rupiah	16	(15)	(16)	15
US Dollar	11	24	(11)	(24)

[(i)] *using EAR and EVE method*

(iii) Liquidity risk

Liquidity risk is the risk caused by the inability of Danamon to meet its obligations at due date and unwind position created from market. Liquidity risk is an important risk for Danamon and as such needs to be managed on an on-going basis.

The objective of liquidity risk management is to ensure that current and future fund requirements can be met both in normal or stress conditions.

The Asset and Liability Committee ("ALCO") acts as the apex committee entrusted to monitor the liquidity situation of Danamon. ALCO is in charge of determining the policy and strategy of Danamon's asset and liabilities in line with the principles of prudent risk management and applicable regulatory requirements. ALCO approves the limit framework, deliberates on the long-term structural balance sheet positioning of Danamon, as well as assumptions used in the risk measurement. These are subject to the Risk Management Committee's ("RMC") review and endorsement.

Danamon manages its liquidity risk through liquidity gap analysis and liquidity ratios. Liquidity risk is measured and monitored on a daily basis based on liquidity risk limit framework. Liquidity gap analysis provides insight as to the mismatch of expected cash inflows vis-à-vis outflows on any given day. This is centrally managed within Treasury which has direct and authorised access to interbank, wholesale, and other professional markets, to supplement core banking activities such as lending and deposit taking.

Liquidity risk monitoring and controlling is implemented through a limit framework which is periodically reviewed in order to accomplish a more sensitive limit structure. The coverage of current liquidity risk limit structure includes measurement of limit and indicators such as Maximum Cumulative Outflow ("MCO"), Loan to Funding Ratio ("LFR"), Liquidity Coverage Ratio ("LCR") and funding concentration risk.

Exposure to liquidity risk

To complete the framework, liquidity risk is measured and controlled under both normal and stress scenarios. Thus, the MCO is estimated under abnormal market conditions, such that the Contingency Funding Plan ("CFP") is in place in case of liquidity crisis.

Olam International Limited and its subsidiaries ("Olam")

Olam is a subsidiary of Temasek Capital (Private) Limited.

Olam is exposed to financial risks from its operations and the use of financial instruments. Olam's board of directors and board risk committee reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Financial Officer and Head of Risk. Olam's Audit Committee provides independent oversight to the effectiveness of the risk management process.

Olam's principal financial instruments, other than derivative financial instruments and investment in security, comprise bank loans, medium-term notes, term loans from banks, bonds, cash and bank balances, fixed deposits and bank overdrafts. The main purpose of these financial instruments is to finance Olam's operations. Olam has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Olam also enters into derivative transactions, including interest rate swaps, commodity options, swaps and futures contracts and foreign currency forward contracts. The purpose is to manage the commodity price risk, foreign currency risk and interest rate risk arising from Olam's operations and its sources of financing.

There has been no change to Olam's exposure to these financial risks or the manner in which it manages and measures the risks.

The main risks arising from Olam's financial instruments are commodity price risk, credit risk, foreign currency risk, liquidity risk and interest rate risk. Olam's board of directors reviews and agrees on the policies for managing each of these risks and they are summarised below:

(a) *Commodity price risk*

Commodities traded by Olam are subject to fluctuations due to a number of factors that result in price risk. Olam purchases and sells various derivative products, primarily exchange traded futures and options with the purpose of managing market exposure to adverse price movements in these commodities. Olam has established policies and exposure limits that restrict the amount of unhedged fixed price physical positions in each commodity.

Olam also enters into commodity derivatives for trading purposes. Olam's trading market risk appetite is determined by the Board of Directors, with detailed exposure limits recommended by the Executive Risk Committee and approved by the Board Risk Committee.

At balance sheet date, if the commodities price index moved by 1.0% with all other variables held constant, Olam's profit net of tax would have changed by $30 million (2017: $23 million; 2016: $14 million) arising as a result of fair value on Olam's commodity futures, options contracts, physical sales and purchases commitments as well as the inventory held at balance sheet date.

(b) *Credit risk*

Credit risk is limited to the risk arising from the inability of a customer to make payment when due. It is Olam's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, Olam does not expect to incur material credit losses.

For computation of impairment losses on financial assets, Olam uses a provision matrix as presented below:

Balance Sheet	**Expected credit loss**
Trade receivables	A percentage of the financial asset calculated by taking the default sovereign risk rating of the counterparties based on external benchmarks
Loans to jointly-controlled entities and associates and Other current assets – Sundry receivables, export incentives and subsidies receivable, deposits, staff advances, insurance receivables, amount due from jointly-controlled entity, associates and a shareholder related company	
Amount due from subsidiary companies	

The carrying amounts of trade receivables, other non-current and current assets, margin accounts with brokers, cash and short-term deposits payments, including derivatives with positive fair value represent Olam's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. Deposits and cash balances are placed with reputable banks.

Credit risk concentration profile

Olam determines concentrations of credit risk by monitoring the operating segment profile of its trade receivables on an ongoing basis.

Olam has no significant concentration of credit risk with any single customer.

(c) *Foreign currency risk*

Olam trades its products globally and, as a result, is exposed to movements in foreign currency exchange rates. The primary purpose of Olam's foreign currency hedging activities is to protect against the volatility associated with foreign currency purchases and sales of raw materials and other assets and liabilities created in the normal course of business. Olam primarily utilises foreign currency forward exchange contracts to hedge firm commitments. Olam does not use foreign currency forward exchange contracts for trading purposes.

Olam has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Olam's entities. The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Great Britain Pound ("GBP"), Euro ("EUR"), Australian Dollar ("AUD") and Singapore Dollar ("SGD").

The following table demonstrates the sensitivity of Olam's profit net of tax and equity to a reasonably possible change in the USD, GBP, EUR, AUD and SGD exchange rates, with all other variables held constant.

	Profit net of tax $million Increase/ (decrease)	**Equity $million** Increase/ (decrease)
2018		
USD – strengthened 0.5%	-	-
GBP – strengthened 0.5%	(1)	(5)
EUR – strengthened 0.5%	2	(6)
AUD – strengthened 0.5%	-	4
SGD – strengthened 0.5%	(7)	6
2017		
USD – strengthened 0.5%	1	-
GBP – strengthened 0.5%	-	(3)
EUR – strengthened 0.5%	(3)	(10)
AUD – strengthened 0.5%	-	3
SGD – strengthened 0.5%	(7)	6
2016		
USD – strengthened 0.5%	-	-
GBP – strengthened 0.5%	(4)	(13)
EUR – strengthened 0.5%	(9)	(2)
AUD – strengthened 0.5%	-	1
SGD – strengthened 0.5%	-	8

(d) *Liquidity risk*

Liquidity risk is the risk that Olam will encounter difficulty in meeting financial obligations associated with its financial liabilities or due to shortage of funds.

To ensure continuity of funding, Olam primarily uses short-term bank facilities that are transaction-linked and self-liquidating in nature. Olam also has a multicurrency medium-term notes programme, as well as term loans from banks, to fund its ongoing working capital requirement and growth needs.

(e) *Interest rate risk*

Olam's exposure to market risk for changes in interest rates relates primarily to its floating rate loans and borrowings. Interest rate risk is managed on an ongoing basis such as hedging the risk through interest rate derivatives with the primary objective of limiting the extent to which net interest exposure could be affected by adverse movements in interest rates.

At the balance sheet date, if interest rates had moved by 25 basis points with all other variables held constant, Olam's profit net of tax would have changed inversely by $28 million (2017: $25 million; 2016: $11 million).

Singapore Telecommunications Limited and its subsidiaries ("Singtel")

Singtel's activities are exposed to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and market risk. Singtel's overall risk management seeks to minimise the potential adverse effects of these risks on the financial performance of Singtel.

Singtel uses financial instruments such as currency forwards, cross currency and interest rate swaps, and foreign currency borrowings to hedge certain financial risk exposures. No financial derivatives are held or sold for speculative purposes.

The Directors of Singtel assume responsibility for the overall financial risk management of Singtel. For the financial year ended 31 March 2018, the Risk Committee and Finance and Investment Committee ("FIC") of Singtel, which are committees of the Board, assisted the Directors of Singtel in reviewing and establishing policies relating to financial risk management in accordance with the policies and directives of the Directors of Singtel.

(i) Foreign exchange risk

The foreign exchange risk of Singtel arises from subsidiaries, associates and joint ventures operating in foreign countries, mainly Australia, India, Indonesia, the Philippines, Thailand and United States of America. Additionally, Singtel's joint venture in India, Bharti Airtel Limited, is primarily exposed to foreign exchange risks from its operations in Sri Lanka and 14 countries across Africa. Translation risks of overseas net investments are not hedged unless approved by the FIC.

Singtel has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

Singtel's Treasury Policy, as approved by the FIC, is to substantially hedge all known transactional currency exposures. Singtel generates revenue, receives foreign dividends and incurs costs in currencies which are other than the functional currencies of the operating units, thus giving rise to foreign exchange risk. The currency exposures are primarily for the Australian Dollar, Euro, Hong Kong Dollar, Indian Rupee, Indonesian Rupiah, Philippine Peso, Pound Sterling, Thai Baht, United States Dollar and Japanese Yen.

Foreign currency purchases and forward currency contracts are used to reduce Singtel's transactional exposure to foreign currency exchange rate fluctuations.

(ii) Interest rate risk

Singtel has cash balances placed with reputable banks and financial institutions which generate interest income for Singtel. Singtel manages its interest rate risks on its interest income by placing the cash balances on varying maturities and interest rate terms.

Singtel's borrowings include bank borrowings and bonds. The borrowings expose Singtel to interest rate risk. Singtel seeks to minimise its exposure to these risks by entering into interest rate swaps over the duration of its borrowings. Interest rate swaps entail Singtel agreeing to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. As at 31 March 2018, after taking into account the effect of interest rate swaps, approximately 67% (2017: 70%; 2016: 76%) of Singtel's borrowings are at fixed rates of interest.

As at 31 March 2018, assuming that the market interest rate is 50 basis points higher or lower and with no change to the other variables, the annualised interest expense on borrowings would be higher or lower by $15.5 million (2017: $13.5 million; 2016: $14.1 million).

(iii) Credit risk

Financial assets that potentially subject Singtel to concentrations of credit risk consist primarily of trade receivables, cash and cash equivalents and financial instruments used in hedging activities.

Singtel has no significant concentration of credit risk from trade receivables due to its diverse customer base. Credit risk is managed through the application of credit assessment and approvals, credit limits and monitoring procedures. Where appropriate, Singtel obtains deposits or bank guarantees from customers or enters into credit insurance arrangements.

Singtel places its cash and cash equivalents with a number of major and high credit rating commercial banks and other financial institutions. Derivative counter-parties are limited to high credit rating commercial banks and other financial institutions. Singtel has policies that limit the financial exposure to any one financial institution.

(iv) Liquidity risk

To manage liquidity risk, Singtel monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance Singtel's operations and mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, Singtel aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available to ensure that Singtel is able to meet the short-term obligations of Singtel as they fall due.

(v) Market risk

Singtel has investments in quoted equity shares. The market value of these investments will fluctuate with market conditions.

35. Fair values

Fair value is defined as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. Fair values have been determined for measurement and/or disclosure purposes and have been obtained from quoted market prices and valuation methods in accordance with FRS, including discounted cash flow models, counterparties' valuations or option pricing models as appropriate.

The carrying values of the financial assets and liabilities approximate their fair values, unless disclosed separately in the respective notes to the financial statements.

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchies of various assets and liabilities are disclosed in their respective notes:

(i) Biological assets (note 13);

(ii) Financial assets (note 18);

(iii) Derivative financial instruments (note 19);

(iv) Investment properties (note 20);

(v) Inventories (note 23); and

(vi) Borrowings (note 28).

36. Related party transactions

The Group engages in various transactions in the ordinary course of business with companies related to or associated with the Group at their prevailing market rates or prices and on customary terms and conditions. These related party transactions would have been required to be, and could have been, replaced with transactions with other parties on similar terms.

Other than the information disclosed elsewhere in the financial statements, there are no other significant transactions that took place between the Group and its related parties during the financial year.

Senior management personnel compensation of the Group:

	Year ended 31 March 2018 Compensation				Year ended 31 March 2017 Compensation				Year ended 31 March 2016 Compensation			
	Paid (ii) $million	**Deferred incentives (iii) $million**	**R-Scope units awarded (iv) million**	**T-Scope units awarded (v) million**	**Paid (ii) $million**	**Deferred incentives (iii) $million**	**R-Scope units awarded (iv) million**	**T-Scope units awarded (v) million**	**Paid (ii) $million**	**Deferred incentives (iii) $million**	**R-Scope units awarded (iv) million**	**T-Scope units awarded (v) million**
THPL Directors (i) and Temasek senior management personnel remuneration	136	129	53	30	123	81	28	24	150	122	62	44
Remuneration for senior management personnel in subsidiaries (vi)	542		NA	NA	515		NA	NA	430		NA	NA
Total senior management personnel remuneration of the Group (vii)	807		53	30	719		28	24	702		62	44

Notes:

(i) THPL Directors' remuneration includes directors' fees payable to Non-Executive Directors and remuneration payable to Executive Directors of THPL.

(ii) Paid compensation includes:

- directors' fees
- salaries and annual wage supplement
- allowances
- paid annual leave
- sign-on, guaranteed cash bonuses and paid out portion of guaranteed wealth added bonuses, where applicable
- performance bonuses earned in the prior year (i.e. bonuses paid in the year ended 31 March 2018 were based on goals achieved in the year ended 31 March 2017)
- Temasek Restricted Staff Co-investment Plan ("R-Scope") units granted and vested in the same year
- employer's mandatory contributions, where applicable
- benefits-in-kind

(iii) Deferred incentives include:

- unutilised annual leave accrual
- deferred portion of the wealth added bonuses retained in the Wealth Added Based Bonus bank ("WABB")#, where applicable
- fair value of unvested Temasek Restricted Staff Co-Investment Plan ("R-Scope")# units which includes the fair value of units granted during the year and the change in value of units granted prior to this year. R-Scope units take 3 to 7 years to vest, depending on the type of R-Scope units awarded.
- fair value of unvested Temasek Staff Co-Investment Plan ("T-Scope") # units which includes the fair value of units granted during the year and the change in value of units granted prior to this year. T-Scope units take 7 to 12 years to vest upon meeting performance conditions and its value is amortised over 7 years.

(iv) R-Scope units are the number of co-investment units awarded under the Temasek Restricted Staff Co-Investment Plan during the year, the fair value of which has been included in the deferred incentives amount.

(v) T-Scope units are the number of co-investment units awarded under the Temasek Staff Co-Investment Plan during the year, the fair value of which has been included in the deferred incentives amount.

THPL's staff incentive system links variable compensation to the achievement of annual performance targets, as well as the wealth creation for THPL's shareholder on a sustainable basis.

For each year that THPL achieves positive wealth added ("WA"), a portion of THPL's attributable wealth added or excess returns is set aside for THPL's staff incentive pool.

One part of the staff incentive pool is used to fund THPL's variable wealth added bonus plan, where part of the earned bonus is paid in cash and a significant balance is deferred in the form of R-Scope units and WABB, especially for senior management. Payout from the WABB balances is subject to THPL's future wealth added performance, with a negative allocation in the event of negative WA. This creates alignment for sustainable wealth added performance.

Another part of the staff incentive pool funds "performance-based co-investment units" under the Temasek Staff Co-Investment Plan or T-Scope for eligible employees. Vesting of these T-Scope units is over 5 years and begins after meeting certain performance conditions from the third year onwards. Unvested units will lapse after 12 years or if performance conditions are not met.

In the event of a negative WA for the year, a corresponding negative share will be deducted from the individual WABB balance before further payouts are made. In the case where the negative WA bonus allocated is greater than the WABB balance, the negative balance will be aggregated on a company-wide basis to be offset against future positive WA bonus pools. No new T-Scope units for the year will be awarded.

(vi) Remuneration for senior management personnel in Group subsidiaries is based on information from their respective financial reports, and includes:

- directors' fees and other remuneration
- salaries and annual wage supplement
- allowances
- bonuses
- deferred payment or fair value of equity-based incentives, where applicable
- employer's contributions to defined contribution and benefit plans and post employment plans, including employer's CPF contributions in Singapore, where applicable
- certain share-based compensation
- benefits-in-kind and other short-term employee benefits.

(vii) Total senior management personnel remuneration includes paid as well as deferred compensation for directors and senior management of THPL as well as directors and other senior management personnel of subsidiaries of the Group.

37. Capital and other commitments

Capital and other commitments contracted for but not recognised in the financial statements:

	2018 $million	2017 $million	2016 $million
Property, plant and equipment	29,314	26,466	30,497
Investment commitments	16,846	16,141	14,980
Intangible assets	759	1,398	952
Development expenditure	1,802	953	1,838
Credit commitments	229	521	519
Others	730	964	1,593
Share of capital commitments of joint ventures	2,955	2,439	2,333

38. Contingent liabilities

	2018 $million	2017 $million	2016 $million
Guarantees	1,739	1,848	2,078
Guarantees and standby letters of credit undertaken by banking subsidiaries	357	902	744
Share of contingent liabilities of associates	7,544	8,210	6,583

Other significant contingent liabilities not included in the above table:

CapitaLand Limited and its subsidiaries ("CapitaLand")

Certain subsidiaries of CapitaLand in China, whose principal activities are those of trading of development properties, would in the ordinary course of business act as guarantors for bank loans taken by buyers to finance purchases of residential properties developed by these subsidiaries. At the balance sheet date, the outstanding notional amount of the guarantees amounted to $1,058 million (2017: $1,142 million; 2016: $512 million).

Sembcorp Industries Ltd and its subsidiaries ("Sembcorp")

Certain of Sembcorp's subsidiaries are involved in claims, litigations, land disputes and other regulatory matters in certain emerging countries as at the year end. Due to the nature of these disputes and matters and also in view of the uncertainty of the outcome, Sembcorp believes that the amount of exposure cannot currently be determinable. Therefore no impairment, revision of useful life or provision for restoration cost, where applicable, has been recorded.

Singapore Airlines Limited and its subsidiaries ("SIA")

(i) *Cargo: Investigations by Competition Authorities and Civil Class Actions*

In 2006 and thereafter, Singapore Airlines Cargo Pte Ltd ("SIA Cargo"), a subsidiary of SIA, and SIA were among several airlines that received notice of investigations by competition authorities in the United States of America ("USA"), European Union, Australia, Canada, New Zealand, South Africa, South Korea and Switzerland as to whether surcharges, rates or other competitive aspects of air cargo service were lawfully determined (the "air cargo issues").

On 9 November 2010, the European Commission issued an adverse decision against 13 air cargo airlines, including SIA Cargo and SIA, in respect of fuel surcharges, security surcharges and commissions on surcharges. A fine of EUR 74.8 million ($135.7 million) was imposed on SIA Cargo and SIA. SIA Cargo paid the fine in February 2011 in accordance with European Union laws. SIA Cargo and SIA have filed an appeal to the European General Court seeking annulment of the decision.

In December 2015, the European General Court annulled the decision of the European Commission in its entirety vis-à-vis SIA Cargo and SIA. In February 2016, EUR 76.4 million ($119.1 million) comprising the fine amount and returns thereon was refunded to SIA Cargo. In March 2017, the European Commission re-adopted a decision in respect of the same case against the air cargo airlines, imposing a fine of EUR 74.8 million ($111.8 million) against SIA Cargo and SIA. SIA Cargo and SIA have filed an appeal to the European General Court seeking annulment of the re-adopted decision.

In January 2014, the Swiss Competition Commission announced a fine against SIA Cargo and SIA of CHF1.7 million ($2.3 million) in respect of the air cargo issues. SIA Cargo and SIA have filed an appeal to the Swiss Federal Administrative Tribunal seeking annulment of the decision.

The proceedings by competition authorities in the USA, South Korea, South Africa, Australia and New Zealand were resolved in previous financial periods.

After the investigations commenced, civil damage lawsuits were filed in the USA, Canada, Australia, South Korea, England, the Netherlands, Norway and Germany by private parties against several airlines, including SIA Cargo and SIA. Other lawsuits have been threatened by customers of SIA Cargo or shippers that purportedly contracted with SIA Cargo's customers.

The plaintiffs in the South Korea proceedings withdrew their complaint in July 2011 and the proceedings were accordingly dismissed without prejudice. In January 2014, a shipper from South Korea which purportedly contracted with SIA Cargo's customers served a claim against SIA Cargo and other airlines. SIA Cargo is defending this proceeding.

In September 2016, one of SIA Cargo's customers filed a claim against SIA Cargo and SIA in the USA after opting out of SIA Cargo's and SIA's class action settlement.

In June 2017, without admitting any liability, SIA Cargo and SIA entered into a settlement of the above civil damages claim in the United States. At the same time, SIA Cargo and SIA settled the civil damages lawsuit filed in Germany, which was related to the opt-out claim in the United States.

Without admitting any liabilities, SIA Cargo and SIA have settled with class action plaintiffs in the United States class action, Australia and Canada to resolve all liabilities of SIA Cargo and SIA as concerns the civil damage or class action lawsuits filed in the relevant jurisdictions.

In addition, without admitting any liability, in 2012, 2013 and 2015, SIA Cargo reached settlements with certain customers to resolve all pending and potential future civil damage claims regarding the air cargo issues for those customers. The individual terms of all such settlements are required to be kept confidential.

Apart from the class actions in Canada, the United States and Australia, the opt-out claim in the United States and the lawsuit in Germany, the filed cases remain in their respective procedural stages and none have been tried thus far on their respective substantive legal merits.

Apart from the above, it is premature to make a provision in the financial statements for the other pending investigations, court proceedings, civil suits, or threatened claims as their respective outcomes are uncertain.

(ii) *Passengers: Civil Class Actions*

SIA and several other airlines have been named in civil class action lawsuit in Canada alleging an unlawful agreement to fix surcharges and fares on transpacific flights. The case is currently in the procedural stage and has not been tried thus far on their respective substantive legal merits. As the lawsuit has neither been tried nor the alleged damages quantified, it is premature to make a provision in the financial statements.

In August 2014, without admitting any liability, SIA entered into a settlement agreement with the class action plaintiffs in the United States for USD9.2 million ($11.4 million) with respect to the passenger civil class action lawsuits filed in the United States. In accordance with the agreement, SIA paid the above amount into an escrow account pending court approval. Final approval of the settlement was granted by the court in June 2015. Subsequently, one of the class members filed an appeal against the court judgment approving the settlement. The class member's appeal was denied by the Court of Appeals and in December 2017, the United States Supreme Court denied the class member's petition for further review. SIA's settlement with the class action plaintiffs in the United States has thus become final.

Singapore Telecommunications Limited and its subsidiaries ("Singtel")

(i) Singtel is contingently liable for claims arising in the ordinary course of business and from certain tax assessments which are being contested, the outcome of which are not presently determinable. Singtel is vigorously defending all these claims.

(ii) Bharti Airtel Limited ("Airtel"), a joint venture of Singtel, has disputes with various government authorities in the respective jurisdictions where its operations are based, as well as with third parties regarding certain transactions entered into in the ordinary course of business.

On 8 January 2013, the local regulator, Department of Telecommunications ("DOT") issued a demand on Airtel Group for Rs. 52.01 billion ($1.05 billion) towards levy of one time spectrum charge.

In the opinion of Airtel, inter-alia, the above demand amounts to alteration of the terms of the licences issued in the past. Airtel believes, based on independent legal opinion and its evaluation, that it is not probable that any material part of the claim will be awarded against Airtel and therefore, pending outcome of this matter, no provision has been recognised.

As at 31 March 2018, other taxes, custom duties and demands under adjudication, appeal or disputes amounted to approximately Rs. 126 billion ($2.54 billion). In respect of some of the tax issues, pending final decisions, Airtel had deposited amounts with statutory authorities.

(iii) Advanced Info Service Public Company Limited ("AIS"), a joint venture of Singtel, has various commercial disputes and significant litigations.

In 2008, CAT Telecom Public Company Limited ("CAT") demanded that AIS' subsidiary, Digital Phone Company Limited ("DPC"), pay additional revenue share of THB 3.4 billion ($143 million) arising from the abolishment of excise tax. CAT's claim is still pending appeal before the Supreme Administrative Court.

In 2015, TOT Public Company Limited ("TOT") demanded that AIS pays additional revenue share of THB 62.8 billion ($2.64 billion) arising from what TOT claims to be an illegality of two amendments made to the Concession Agreement, namely, Amendment 6 (regarding reduction in prepaid revenue share rate) made in 2001 and Amendment 7 (regarding deduction of roaming expense from revenue share) made in 2002, which have resulted in lower revenue share. This case is pending arbitration.

Between 2011 and 2016, TOT demanded that AIS pays additional revenue share based on gross interconnection income from 2007 to 2015 amounting to THB 36.2 billion ($1.52 billion) plus interest. The claims are pending arbitration.

Between 2014 to 2016, TOT demanded that AIS pays THB 41.1 billion ($1.73 billion) plus interest for the porting of subscribers from 900MHz to 2100MHz network. This case is pending arbitration.

In March 2018, CAT demanded DPC to transfer the telecommunications systems which would have been supplied under the Concession Agreement between CAT and DPC of THB 13.4 billion ($564 million) or to pay the same amount plus interest. This case is pending arbitration.

As at 31 March 2018, there are a number of other claims against AIS and its subsidiaries amounting to THB 28.3 billion ($1.19 billion) which are pending adjudication.

AIS believes that the above claims will be settled in favour of AIS and will have no material impact to its financial statements.

(iv) In October 2017, Intouch and its subsidiary, Thaicom Public Company Limited ("Thaicom") received letters from the Ministry of Digital Economy and Society (the "Ministry") stating that Thaicom 7 and Thaicom 8 satellites (the "Satellites") are governed under the terms of a 1991 satellite operating agreement between Intouch and the Ministry which entails the transfer of asset ownership, procurement of backup satellites, payment of revenue share, and procurement of property insurance. Intouch and Thaicom have obtained legal advice and are of the opinion that the Satellites are not covered under the agreement but instead under the licence from the National Broadcasting and Telecommunications Commission. This case is pending arbitration.

39. Significant subsequent events

(a) On 9 March 2018, Mapletree signed an agreement relating to the acquisition of a portfolio of 164 logistics and distribution assets in the USA, for a total consideration of US$2,390 million (approximately $3,151 million). Out of 164 assets, the acquisition of 159 assets was completed on 26 April 2018.

(b) In April 2018, Temasek, through a wholly-owned subsidiary, subscribed for 31 million new shares of Bayer AG ("Bayer"), representing approximately 3.6% of the issued capital stock of Bayer, for a purchase price of €3 billion. The new shares were issued to a wholly-owned subsidiary of Temasek at a price near the market price. Following the issuance and together with its previous shareholdings in Bayer, Temasek held approximately 4% of the issued capital stock of Bayer. Bayer is a life science company with a more than 150-year history and core competencies in the areas of health care and agriculture.

40. Adoption of new and revised accounting standards effective for future periods

In December 2017, the Accounting Standards Council issued the Singapore Financial Reporting Standards International ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to IFRS as issued by the International Accounting Standards Board. Singapore incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading on the Singapore Exchange, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018. Non-listed Singapore-incorporated companies may voluntarily apply the new framework at the same time.

Temasek, as a non-listed company and currently adopting FRS, will voluntarily transit to the new framework and will present its first set of consolidated financial statements in accordance with SFRS(I) and IFRS for the financial year beginning on 1 April 2018.

In adopting the new framework, the Group will be required to apply the transition requirements in SFRS(I) 1 *First-time Adoption of International Financial Reporting Standards*. SFRS(I) 1 provides mandatory exceptions and optional exemptions from full retrospective application of SFRS(I). The Group is currently assessing the potential transitional impact on the application of the new framework on the consolidated financial statements.

In addition to the adoption of the new framework, the Group will be adopting new or amended standards and interpretations to FRS when they become effective, which includes the following that are relevant and likely to have a significant impact to the Group:

		Effective for financial years beginning on
SFRS(I) 9	*Financial Instruments*	1 April 2018
SFRS(I) 15	*Revenue from Contracts with Customers*	1 April 2018
SFRS(I) 16	*Leases*	1 April 2019

The Group is currently assessing the potential impact on the adoption of these new standards on the consolidated financial statements.

Applicable to the Group's 2019 financial statements

SFRS(I) 9 Financial Instruments

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss ("ECL") model for calculation of impairment of financial assets, and new requirements for general hedge accounting.

(a) Classification and measurement: financial assets

SFRS(I) 9 contains a new classification and measurement approach for financial assets, that reflects the business model in which assets are managed and the characteristics of the cash flow of the assets.

SFRS(I) 9 contains three principal classification categories for financial assets:
(i) measured at amortised cost;
(ii) measured at fair value through other comprehensive income (“FVOCI”); and
(iii) measured at fair value through profit and loss (“FVTPL”).

The standard removed the existing categories of held to maturity, loans and receivables and AFS.

Upon adoption of SFRS(I) 9, a significant portion of the Group’s AFS investments would be reclassified to be measured at FVTPL. Unrealised fair value gains and losses, which are currently recorded under other comprehensive income, will be recorded in the income statement under the new standard, which may result in year-on-year volatility in the Group’s results.

(b) Impairment

SFRS(I) 9 replaces the current ‘incurred loss’ model with expected credit loss (ECL) model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets and certain loan commitments and certain financial guarantee contracts.

The Group plans to apply the simplified approach and lifetime ECL measurement for all trade receivables and any contract assets arising from the application of SFRS(I) 15.

(c) Hedging

SFRS(I) 9 requires the alignment of hedge accounting relationships with risk management objectives and strategies, and the application of a more qualitative and forward-looking approach to assessing hedge effectiveness. SFRS(I) 9 also introduces new requirements regarding rebalancing of hedge relationships, and prohibiting voluntary discontinuation of hedge accounting.

(d) Transition

The Group plans to apply the exemption in SFRS(I) 1 which allows for the differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 to be recognised in opening accumulated profits and reserves as at 1 April 2018. Accumulated fair value reserve would be reclassified to opening accumulated profits on the same date.

SFRS(I) 15 Revenue from Contracts with Customers

(a) Revenue recognition

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

Under SFRS(I) 15, revenue is recognised when the performance obligation is satisfied and the customer obtains control of the goods. The indicators of whether control has transferred would need to be assessed based on facts and circumstances. The transaction price will be allocated to performance obligations, and revenue will be recognised when each performance obligation is satisfied, which might be at different times.

(b) Transition

The Group plans to adopt SFRS(I) 15 using the retrospective approach with the practical expedients. The Group will retrospectively apply the new standard to its comparative information in the 2019 consolidated financial statements.

Applicable to the Group's 2020 financial statements

SFRS(I) 16 *Leases* will require lessess to bring most leases on-balance sheet.

The current operating lease accounting model for lessees will change significantly under the new standard. The Group's balance sheet will be expected to show an increase in both assets and liabilities, with changes to its expense pattern, from a generally straight-line operating lease expense, to a front-end loaded expense pattern from interest costs and asset depreciation.

The accounting model for lessors will largely be unchanged from that applied under the current standard. SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

Temasek Financial (IV) Private Limited

Registration Number: 201533091K

Financial Statements
Year ended 31 March 2018

Directors' statement

The directors present their statement to the member of Temasek Financial (IV) Private Limited (the "Company") together with the audited financial statements for the financial year ended 31 March 2018.

In the opinion of the directors:

(a) the financial statements set out on pages FSA1 to FSA12 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance and changes in equity of the Company for the year then ended in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors of the Company in office at the date of this statement are as follows:

Chia Song Hwee
Rohit Sipahimalani
Leong Wai Leng
Pek Siok Lan
Goh Bee Kheng

Arrangements to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50, none of the directors holding office at the end of the financial year had any interest in the shares or debentures in the Company or its related corporations, except as follows:

Name of directors and related corporations	**Description of interests**	**Holdings registered in the name of the directors, or their spouse or children**	
		At 01/04/2017	**At 31/03/2018**
Chia Song Hwee			
Singapore Telecommunications Limited	Ordinary shares	2,970	2,970

Name of directors and related corporations	**Description of interests**	**Holdings registered in the name of the directors, or their spouse or children**	
		At 01/04/2017	**At 31/03/2018**
Rohit Sipahimalani			
Astrea III Pte. Ltd.	S$228 million Class A-1 Secured Fixed Rate Notes due 2026	S$1,000,000	S$1,500,000
	US$170 million Class A-2 Secured Fixed Rate Notes due 2026	US$400,000	US$800,000
Leong Wai Leng			
Ascendas Funds Management (S) Limited *(Manager of Ascendas Real Estate Investment Trust)*	Ascendas Real Estate Investment Trust S$200 million 2.47% Notes due on 10 Aug 2023	–	S$250,000
Astrea III Pte. Ltd.	S$228 million Class A-1 Secured Fixed Rate Notes due 2026	S$250,000	S$250,000
Fullerton Fund Management Company Ltd.	Unit holdings in Fullerton SGD Income Fund A - SGD	91,627.823	–
	Unit holdings in Fullerton SGD Income Fund B - SGD	48,243.149	48,243.149
	Unit holdings in Fullerton SGD Income Fund D - USD	74,174.820	78,039.694
Mapletree Commercial Trust Management Ltd.	Unit holdings in Mapletree Commercial Trust	107,705	98,705
	S$175 million 3.11% Fixed Rate Notes due on 24 Aug 2026	S$250,000	S$250,000
Mapletree Greater China Commercial Trust Management Ltd.[#1]	Unit holdings in Mapletree Greater China Commercial Trust[#2]	135,000	135,000
Mapletree Industrial Trust Management Ltd.	Unit holdings in Mapletree Industrial Trust	51,674	47,674
Mapletree Logistics Trust Management Ltd.	Unit holdings in Mapletree Logistics Trust	560,545	653,600
Mapletree Treasury Services Limited	Mapletree Treasury Straight Bond 3.88% due on 4 Oct 2018	S$250,000	S$250,000

Name of directors and <u>related corporations</u>	**<u>Description of interests</u>**	**Holdings registered in the name of the directors, or their spouse or <u>children</u>**	
		At <u>01/04/2017</u>	**At <u>31/03/2018</u>**
<u>Leong Wai Leng</u> (cont'd)			
Mapletree Treasury Services Limited	Mapletree Treasury Straight Bond 4.45% due on 7 Mar 2018	S$500,000	–
Singapore Airlines Limited	Ordinary shares	4,800	4,800
	S$500 million 3.22% Fixed Rate Notes due 2020	S$250,000	S$250,000
	S$200 million 3.145% Fixed Rate Notes due 2021	S$250,000	S$250,000
Singapore Technologies Engineering Ltd	Ordinary shares	41,000	41,000
Singapore Technologies Telemedia Pte Ltd	S$300 million 4.05% Notes due 2 Dec 2025	S$250,000	S$250,000
Singapore Telecommunications Limited	Ordinary shares	22,027	22,027
StarHub Ltd.	Ordinary shares	7,870	27,870
<u>Pek Siok Lan</u>			
Astrea III Pte. Ltd.	S$228 million Class A-1 Secured Fixed Rate Notes due 2026	S$250,000[#3]	S$250,000[#3]
	US$170 million Class A-2 Secured Fixed Rate Notes due 2026	US$200,000[#3]	US$200,000[#3]
Singapore Technologies Engineering Ltd	Ordinary shares	5,000	5,000
Singapore Telecommunications Limited	Ordinary shares	3,350	3,350
TeleChoice International Limited	Ordinary shares	90,000	90,000
<u>Goh Bee Kheng</u>			
Fullerton Fund Management Company Ltd.	Unit holdings in Fullerton SGD Income Fund A - SGD	–	112,060

Name of directors and related corporations	**Description of interests**	**Holdings registered in the name of the directors, or their spouse or children**	
		At 01/04/2017	**At 31/03/2018**
Goh Bee Kheng (cont'd)			
Mapletree Commercial Trust Management Ltd.	Unit holdings in Mapletree Commercial Trust	10,747	10,747
Mapletree Greater China Commercial Trust Management Ltd. #1	Unit holdings in Mapletree Greater China Commercial Trust#2	110,000	110,000
Singapore Technologies Engineering Ltd	Ordinary shares	2,505	2,505
Singapore Telecommunications Limited	Ordinary shares	15,177	15,177
StarHub Ltd.	Ordinary shares	2,000	2,000

#1 Name changed to "Mapletree North Asia Commercial Trust Management Ltd." with effect from 25 May 2018
#2 Name changed to "Mapletree North Asia Commercial Trust" with effect from 25 May 2018
#3 Held through investment holding company

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Auditors

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

/s/ Leong Wai Leng

Leong Wai Leng
Director

/s/ Goh Bee Kheng

Goh Bee Kheng
Director

29 June 2018

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Independent auditors' report

Member of the Company
Temasek Financial (IV) Private Limited

Report on the Financial Statements

Opinion

We have audited the financial statements of Temasek Financial (IV) Private Limited (the Company), which comprise the balance sheet as at 31 March 2018, the statement of comprehensive income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FSA1 to FSA12.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance and changes in equity of the Company for the year then ended.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information which accompanies the financial statements. This other information comprises the Directors' Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and of the appropriateness in using the going concern basis of accounting for the financial statements of the Company.

The directors' responsibilities include overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

/s/ KPMG LLP
KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
29 June 2018

Balance sheet
As at 31 March 2018

	Note	2018 $	2017 $
Current assets			
Prepaid expenses		–	738,981
Loan to related company	5	3,147,517	4,128,409
Total assets		3,147,517	4,867,390
Equity			
Share capital	6	5,000,000	5,000,000
Accumulated losses		(2,001,636)	(528,334)
Total equity		2,998,364	4,471,666
Current liability			
Accrued operating expenses		149,153	395,724
Total liability		149,153	395,724
Total equity and liability		3,147,517	4,867,390

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 31 March 2018

	Note	2018 $	2017 $
Administrative expenses		(1,473,302)	(477,137)
Loss before income tax		(1,473,302)	(477,137)
Income tax expense	7	–	–
Loss for the year, representing total comprehensive income for the year		(1,473,302)	(477,137)

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 March 2018

	Note	Share capital $	Accumulated losses $	Total equity $
At 1 April 2016		2	(51,197)	(51,195)
Total comprehensive income for the year				
Loss for the year, representing total comprehensive income for the year		–	(477,137)	(477,137)
Transaction with owner, recorded directly in equity				
Contribution by owner				
Issue of ordinary shares	6	4,999,998	–	4,999,998
At 31 March 2017		5,000,000	(528,334)	4,471,666
At 1 April 2017		5,000,000	(528,334)	4,471,666
Total comprehensive income for the year				
Loss for the year, representing total comprehensive income for the year		–	(1,473,302)	(1,473,302)
At 31 March 2018		5,000,000	(2,001,636)	2,998,364

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 June 2018.

1 General information

Temasek Financial (IV) Private Limited (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

The principal activity of the Company is that of a financing company.

The immediate and ultimate holding companies at the end of the financial year were Temasek Financial Holdings Private Limited and Temasek Holdings (Private) Limited respectively. Both companies are incorporated in the Republic of Singapore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollar which is the Company's functional currency.

2.4 Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.5 Adoption of new and amended FRS and interpretations of FRS

On 1 April 2017, the Company adopted new and amended FRS and interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items denominated in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise loan to related company and accrued operating expenses.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset.

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include loan to related company which are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Non-derivative financial liabilities

Non-derivative financial liabilities are carried at amortised cost using the effective interest method. Non-derivative financial liabilities comprise accrued operating expenses.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each balance sheet date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate.

Impairment losses in respect of financial assets measured at amortised cost are recognised in profit or loss.

Impairment losses in respect of financial assets measured at amortised cost are reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

3.4 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 New accounting standards and interpretations not yet adopted

Convergence with Singapore Financial Reporting Standards (International) (“SFRS(I)s”)

In December 2017, the Accounting Standards Council (“ASC”) issued the SFRS(I)s. Singapore incorporated companies that have issued, or are in the process of issuing, equity and debt instruments for trading on the Singapore Exchange, will apply SFRS(I)s with effect from annual periods beginning on or after 1 January 2018.

The Company will be transitioning to the new framework and will present its first set of financial statements in accordance with SFRS(I)s issued by the ASC and IFRS for the financial year beginning on 1 April 2018. As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Company will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. SFRS(I) 1 generally requires that the Company applies SFRS(I)s on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements.

The Company has assessed the effects of applying SFRS(I) 1 to transition to the new reporting framework. Based on the Company's assessment, the Company does not expect to change its accounting policies other than those arising from the application of new standards. The Company's assessment also did not indicate any significant impact on application of the mandatory exceptions and optional exemptions in SFRS(I) 1.

New standards effective for financial years beginning on or after 1 April 2018

A number of new SFRS(I)s, amendments to and interpretations of SFRS(I)s ("new standards") are effective for the Company for financial years beginning on or after 1 April 2018.

The Company does not expect the application of the new standards to have a significant impact on the financial statements in the period of initial application, except for SFRS(I) 9. The Company's assessment of the impact arising from SFRS(I) 9 is set out below.

a. Classification and measurement: financial assets

SFRS(I) 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. SFRS(I) 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

SFRS(I) 9 contains three principal classification categories for financial assets: measured at amortised cost, measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVTPL). The standard eliminates the existing categories of held to maturity, loans and receivables and available-for-sale.

At 31 March 2018, the Company had non-trade balance with related company with carrying amount of $3,147,517. Under SFRS(I) 9, this balance is expected to be measured at FVTPL as repayment is dependent on cash flows from the underlying assets of the related company.

At 1 April 2018, the Company does not expect a material impact on reclassification of its non-trade balance with related company.

b. Classification and measurement: financial liabilities

SFRS(I) 9 largely retains the existing requirements for the classification of financial liabilities. However, under current standard, all fair value changes of financial liabilities designated at FVTPL are recognised in profit or loss, whereas under SFRS(I) 9 these changes are generally presented as follows:

- The amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and

- The remaining amount of change in fair value is presented in profit or loss.

The Company has not designated any financial liabilities at FVTPL and has no current intention to do so. The Company's assessment did not indicate any material impact regarding the classification of financial liabilities at 1 April 2018.

c. Impairment

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss (ECL) model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI.

The Company's assessment did not indicate any material ECL impact at 1 April 2018.

d. Hedging

SFRS(I) 9 requires the Company to ensure that hedge accounting relationships are aligned with the Company's risk management objectives and strategy, and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. SFRS(I) 9 also introduces new requirements regarding rebalancing of hedge relationships and prohibiting voluntary discontinuation of hedge accounting.

The Company currently does not have any existing hedge accounting relationships.

e. Transition

The Company plans to apply the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I)s financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves at 1 April 2018.

5 Loan to related company

Loan to related company is unsecured, interest-free and repayable within 12 months. No impairment loss has been recognised in respect of the loan to related company.

6 Share capital

	2018 No. of shares	2017 No. of shares
Fully paid ordinary shares, with no par value		
At 1 April	5,000,000	2
Issue of shares	–	4,999,998
At 31 March	5,000,000	5,000,000

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the previous financial year, the issued and paid-up ordinary share capital of the Company was increased by S$4,999,998 from S$2 to S$5,000,000 by way of an allotment and issue of 4,999,998 new ordinary shares in the share capital of the Company to its immediate holding company.

Capital management

The Company's capital management process is determined and managed by a related company. The Company's capital comprises its share capital and reserves.

The Company is not subject to externally imposed capital requirements.

7 Income tax expense

	2018 $	2017 $
Current tax expense		
Current year	–	–
Reconciliation of effective tax rate		
Loss before income tax	(1,473,302)	(477,137)
Income tax using Singapore tax rate of 17% (2017: 17%)	(250,461)	(81,113)
Expenses not deductible for tax purposes	250,461	81,113
	–	–

8 Significant related party transactions

Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the significant transaction between the Company and its related parties is as follows:

	2018 $	2017 $
Central support service charge by:		
- related company	182,019	414,010

Transactions with key management personnel

The Company's directors are employees of the ultimate holding company and/or a related company and no consideration is paid to the ultimate holding company and/or related company for the services rendered by the directors.

9 Cash flow statement

The Company did not prepare a cash flow statement as the Company does not have cash and bank balances and all receipts and payments are handled by the related company.

The following significant transactions took place during the financial year:

	2018 **$**	**2017** **$**
Proceeds from issuance of shares	–	4,999,998
Expenses paid on behalf	980,892	821,244

10 Financial risk management

Overview

The financial risk management of the Company is handled by a related company on a Temasek portfolio perspective as a whole.

The Company's activities expose it to the following risks:

- credit risk
- liquidity risk
- market risk

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loan and receivables.

The carrying amount of financial assets represents the maximum credit exposure. The Company does not hold any collateral in respect of its financial assets.

For loan to related company, the Company manages the exposure by assessing the financial position and past experience with the related company.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity risk through funding from its related company.

The expected contractual cash outflows of non-derivative financial liabilities fall within one year and are expected to approximate their carrying amounts.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income.

The Company does not have significant exposure to market risk.

11 Fair values

Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes.

The carrying amount of the financial assets and financial liabilities with a maturity of less than one year approximate their fair values.

Temasek Financial (IV) Private Limited

Registration Number: 201533091K

Financial Statements
Year ended 31 March 2017

Directors' statement

The directors present their statement to the member of Temasek Financial (IV) Private Limited (the "Company") together with the audited financial statements for the financial year ended 31 March 2017.

In the opinion of the directors:

(a) the financial statements set out on pages FSB1 to FSB10 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance and changes in equity of the Company for the year then ended in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors of the Company in office at the date of this statement are as follows:

Chia Song Hwee
Rohit Sipahimalani
Leong Wai Leng
Pek Siok Lan
Goh Bee Kheng

Arrangements to enable directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50, none of the directors holding office at the end of the financial year had any interest in the shares or debentures in the Company or its related corporations, except as follows:

Name of director and related corporations	**Description of interests**	**Holdings registered in the name of the director, or their spouse or infant children**	
		At 01/04/2016	**At 31/03/2017**
Chia Song Hwee			
Singapore Telecommunications Limited	Ordinary shares	2,970	2,970
Leong Wai Leng			
Astrea III Pte. Ltd.	S$228,000,000 Class A-1 Secured Fixed Rate Notes due 2026	–	S$250,000
Fullerton Fund Management Company Ltd.	Unit holdings in Fullerton SGD Income Fund A - SGD	91,627.823	91,627.823
	Unit holdings in Fullerton SGD Income Fund B - SGD	48,243.149	48,243.149
	Unit holdings in Fullerton SGD Income Fund D - USD	74,174.820	74,174.820
Mapletree Commercial Trust Management Ltd.	Unit holdings in Mapletree Commercial Trust	86,758	86,758
	MCT Straight Bond 3.11% due on 24/08/2026	–	S$250,000
Mapletree Greater China Commercial Trust Management Ltd.	Unit holdings in Mapletree Greater China Commercial Trust	135,000	135,000
Mapletree Industrial Trust Management Ltd.	Unit holdings in Mapletree Industrial Trust	51,298	51,674
Mapletree Logistics Trust Management Ltd.	Unit holdings in Mapletree Logistics Trust	550,700	560,545
Mapletree Treasury Services Limited	Mapletree Treasury Straight Bond 3.88% due on 04/10/2018	S$250,000	S$250,000
	Mapletree Treasury Straight Bond 4.45% due on 07/03/2018	S$500,000	S$500,000
Neptune Orient Lines Limited	NOL Straight Bond 4.40% due on 22/06/2021	S$250,000	N.A.[#1]
Singapore Airlines Limited	Ordinary shares	4,800	4,800

Name of director and related corporations	**Description of interests**	**Holdings registered in the name of the director, or their spouse or infant children**	
		At 01/04/2016	**At 31/03/2017**
Leong Wai Leng (cont'd)			
Singapore Airlines Limited	Singapore Airlines Straight Bond 3.22% due on 09/07/2020	S$250,000	S$250,000
	Singapore Airlines Straight Bond 3.145% due on 08/04/2021	S$250,000	S$250,000
Singapore Technologies Engineering Ltd	Ordinary shares	41,000	41,000
Singapore Technologies Telemedia Pte Ltd	S$300 million 4.05% Notes due 2025	S$250,000	S$250,000
Singapore Telecommunications Limited	Ordinary shares	22,027	22,027
SMRT Corporation Ltd	Ordinary shares	4,000	–
StarHub Ltd.	Ordinary shares	7,870	7,870
Pek Siok Lan			
Astrea III Pte. Ltd.	S$228,000,000 Class A-1 Secured Fixed Rate Notes due 2026	–	S$250,000[#2]
	US$170,000,000 Class A-2 Secured Fixed Rate Notes due 2026	–	US$200,000[#2]
Singapore Technologies Engineering Ltd	Ordinary shares	5,000	5,000
Singapore Telecommunications Limited	Ordinary shares	3,350	3,350
TeleChoice International Limited	Ordinary shares	90,000	90,000
Goh Bee Kheng			
Mapletree Commercial Trust Management Ltd.	Unit holdings in Mapletree Commercial Trust	10,747	10,747

Name of director and related corporations	**Description of interests**	**Holdings registered in the name of the director, or their spouse or infant children**	
		At 01/04/2016	**At 31/03/2017**
Goh Bee Kheng (cont'd)			
Mapletree Greater China Commercial Trust Management Ltd.	Unit holdings in Mapletree Greater China Commercial Trust	110,000	110,000
Singapore Technologies Engineering Ltd	Ordinary shares	2,505	2,505
Singapore Telecommunications Limited	Ordinary shares	15,177	15,177
StarHub Ltd.	Ordinary shares	2,000	2,000

#1 Ceased to be a related corporation during the financial year.
#2 Held through investment holding company.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Auditors

The auditors, KPMG LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

/s/ Leong Wai Leng

Leong Wai Leng
Director

/s/ Goh Bee Kheng

Goh Bee Kheng
Director

7 July 2017

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Independent auditors' report

Member of the Company
Temasek Financial (IV) Private Limited

Report on the Financial Statements

Opinion

We have audited the financial statements of Temasek Financial (IV) Private Limited (the Company), which comprise the balance sheet as at 31 March 2017, the statement of comprehensive income and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FSB1 to FSB10.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance and changes in equity of the Company for the year then ended.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information which accompanies the financial statements. This other information comprises the Directors' Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and of the appropriateness in using the going concern basis of accounting for the financial statements of the Company.

The directors' responsibilities include overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

/s/ KPMG LLP
KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
7 July 2017

Balance sheet
As at 31 March 2017

	Note	2017 $	2016 $
Current assets			
Prepaid expenses		738,981	–
Loan to related company	5	4,128,409	–
Total assets		4,867,390	–
Equity			
Share capital	6	5,000,000	2
Accumulated losses		(528,334)	(51,197)
Total equity		4,471,666	(51,195)
Current liabilities			
Loan from related company	5	–	50,345
Accrued operating expenses		395,724	850
Total liabilities		395,724	51,195
Total equity and liabilities		4,867,390	–

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 31 March 2017

	Note	Year ended 31 March 2017 $	Period from 27 August 2015 (date of incorporation) to 31 March 2016 $
Administrative expenses		(477,137)	(51,197)
Loss before income tax		(477,137)	(51,197)
Income tax expense	7	–	–
Loss for the year/period, representing total comprehensive income for the year/period		(477,137)	(51,197)

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 March 2017

	Note	Share capital $	Accumulated losses $	Total equity $
At 27 August 2015 (date of incorporation)		2	–	2
Total comprehensive income for the period				
Loss for the period, representing total comprehensive income for the period		–	(51,197)	(51,197)
At 31 March 2016		2	(51,197)	(51,195)
At 1 April 2016		2	(51,197)	(51,195)
Total comprehensive income for the year				
Loss for the year, representing total comprehensive income for the year		–	(477,137)	(477,137)
Transaction with owner, recorded directly in equity				
Contribution by owner				
Issue of ordinary shares	6	4,999,998	–	4,999,998
At 31 March 2017		5,000,000	(528,334)	4,471,666

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 7 July 2017.

1 General information

Temasek Financial (IV) Private Limited (the "Company") is incorporated in the Republic of Singapore. The address of the Company's registered office is 60B Orchard Road, #06-18 Tower 2, The Atrium@Orchard, Singapore 238891.

The principal activity of the Company is that of a financing company.

The immediate and ultimate holding companies at the end of the financial year were Temasek Financial Holdings Private Limited and Temasek Holdings (Private) Limited respectively. Both companies are incorporated in the Republic of Singapore.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore Dollar which is the Company's functional currency.

2.4 Use of estimates, assumptions and judgements

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.5 Adoption of new and amended FRS and interpretations of FRS

On 1 April 2016, the Company adopted new and amended FRS and interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current year or prior financial period.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items denominated in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise loan to/from related company and accrued operating expenses.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset.

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include loan to related company which are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Non-derivative financial liabilities

Non-derivative financial liabilities are carried at amortised cost using the effective interest method. Non-derivative financial liabilities comprise loan from related company and accrued operating expenses.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each balance sheet date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses in respect of financial assets measured at amortised cost are recognised in profit or loss.

Impairment losses in respect of financial assets measured at amortised cost is reversed if the subsequent increase in fair value can be related objectively to an event occurring after the impairment loss was recognised.

3.4 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year/period, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4 New accounting standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2016 and the Company has not early adopted.

New standards, amendments to standards and interpretations that are relevant and likely to have a significant impact to the Company are set out below. The Company is currently assessing the transition options and the potential impact on the adoption of these new standards on the financial statements of the Company.

Applicable for the Company's 2019 financial statements

- FRS 109 Financial Instruments replaces most of the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement with effect from annual periods beginning on or after 1 January 2018. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

5 Loan to/(from) related company

Loan to/(from) related company are unsecured, interest-free and repayable within 12 months. No impairment loss has been recognised in respect of the loan to related company.

6 Share capital

	2017 No. of shares	2016 No. of shares
Fully paid ordinary shares, with no par value		
At 1 April 2016/27 August 2015 (date of incorporation)	2	2
Issue of shares	4,999,998	–
At 31 March	5,000,000	2

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the issued and paid-up ordinary share capital of the Company was increased by S$4,999,998 from S$2 to S$5,000,000 by way of an allotment and issue of 4,999,998 new ordinary shares in the share capital of the Company to its immediate holding company.

Capital management

The Company's capital management process is determined and managed by a related company. The Company's capital comprises its share capital and reserves.

There were no changes in the Company's approach to capital management during the year/period.

The Company is not subject to externally imposed capital requirements.

7 Income tax expense

	Year ended 31 March 2017 $	Period from 27 August 2015 (date of incorporation) to 31 March 2016 $
Current tax expense		
Current year/period	–	–

Reconciliation of effective tax rate

Loss before income tax	(477,137)	(51,197)
Income tax using Singapore tax rate of 17% (2016: 17%)	(81,113)	(8,703)
Expenses not deductible for tax purposes	81,113	8,703
	–	–

8 Significant related party transactions

Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the significant transaction between the Company and its related parties is as follows:

	Year ended 31 March 2017 $	Period from 27 August 2015 (date of incorporation) to 31 March 2016 $
Central support service charge by:		
- related company	414,010	36,613

Transactions with key management personnel

The Company's directors are employees of the ultimate holding company and/or a related company and no consideration is paid to the ultimate holding company and/or related company for the services rendered by the directors.

9 Cash flow statement

The Company did not prepare a cash flow statement as the Company does not have cash and bank balances and all receipts and payments are handled by the related company.

The following significant transactions took place during the financial year/period:

	Year ended 31 March 2017 $	Period from 27 August 2015 (date of incorporation) to 31 March 2016 $
Proceeds from issuance of shares	4,999,998	–
Expenses paid on behalf	821,244	50,347

10 Financial risk management

Overview

The financial risk management of the Company is handled by a related company on a Temasek portfolio perspective as a whole.

The Company's activities expose it to the following risks:

- credit risk
- liquidity risk
- market risk

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loan and receivables.

The carrying amount of financial assets represents the maximum credit exposure. The Company does not hold any collateral in respect of its financial assets.

For loan to related company, the Company manages the exposure by assessing the financial position and past experience with the related company.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages its liquidity risk through funding from its related company.

The expected contractual cash outflows of non-derivative financial liabilities fall within one year and are expected to approximate their carrying amounts.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income.

The Company does not have significant exposure to market risk.

11 Fair values

Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes.

The carrying amount of the financial assets and financial liabilities with a maturity of less than one year approximate their fair values.

Annex A —
Global clearance and settlement

The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of CDP, Euroclear and Clearstream (together, the "Clearance Systems") currently in effect. Investors wishing to use the facilities of any of the Clearance Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearance System. None of the Issuer, Temasek, the Arranger, any Dealer, the Trustee and any exchange, paying or transfer agent (each an "Agent") or party to the Agency Agreement and/or the Trust Deed will be held responsible or bear any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearance System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The relevant Pricing Supplement will specify the Clearance System(s) applicable for the relevant series.

The Clearance Systems

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the "Depository System") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the Securities Accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Certificate or Global Note for persons holding the Notes in Securities Accounts with CDP (the "Depositors"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the Securities Accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors (the "Depository Agents") approved by CDP under the SFA to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding Notes in direct Securities Accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct Securities Accounts to a securities sub-account with a Depository Agent for trade settlement.

General

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, Temasek, the Arranger, the Dealers, the Trustee, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Custody Arrangements with Depository Agents

Definitive Certificates or Definitive Notes will not be issued to individual holders of Notes (except in the limited circumstances described in the provisions of the Global Certificate or the Global Note, as the case may be).

The Notes represented by a Global Certificate or Global Note will be credited to the accounts of the Noteholders with CDP. For so long as the Notes are represented by a Global Certificate or Global Note, as the case may be, held through CDP, the Depository Agents and individual Noteholders with direct Securities Accounts will be treated as holders of the Notes for all purposes other than with respect to the payment of principal, premium (if any), interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, the right to which shall be vested, as against the Issuer, solely in the registered holder of the Global Certificate or Global Note, as the case may be.

Clearing Fees

With effect from 1 June 2014, a clearing fee for the trading of Notes on the Main Board of the SGX-ST is payable at the rate of 0.0325 per cent. of the transaction value. The clearing fee may be subject to goods and services tax at the prevailing rate.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream have established an electronic bridge between their two systems which enables their respective participants to settle trades with each other. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream are governed by the respective rules and operating procedures of Euroclear or Clearstream and any applicable laws. Both Euroclear and Clearstream act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Book-Entry Ownership

Bearer Notes

The Issuer will make applications to CDP, Euroclear and/or Clearstream for acceptance in their respective book-entry systems of any series of Notes in bearer form. In respect of Bearer Notes, as may be specified in the relevant Pricing Supplement, a Temporary Global Note and/or a Permanent Global Note in bearer form without coupons will be deposited with CDP or with a common depositary on behalf of Euroclear and Clearstream. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal market debt securities operating procedures of CDP, Euroclear and/or Clearstream, as the case may be.

Registered Notes

The Issuer will make applications to CDP, Euroclear and/or Clearstream for acceptance in their respective book-entry systems of the Global Certificate. Each Global Certificate will have an ISIN or Common Code and will be subject to restrictions on transfer contained in a legend appearing on the front of such Note, as set out under "Notice to purchasers and holders of Registered Notes and transfer restrictions".

Investors may hold their interests in a Global Certificate through CDP, Euroclear or Clearstream, as the case may be, directly through such Clearance System if they are participants in such Clearance System, or indirectly through organisations that are participants of such Clearance System.

So long as Euroclear or Clearstream, or their respective nominee, is the registered owner or holder of a Global Certificate, Euroclear, Clearstream, or their respective nominee, will be considered as the sole owner or holder of the Notes represented by such Global Certificate for all purposes under the Trust Deed and such Notes. For so long as a Global Certificate is registered in the name of CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Notes represented by such Global Certificate (in which regard any certificate or other document issued by CDP as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be considered as the holder of such principal amount of Notes standing to the account of such person other than with respect to the payment of principal, premium (if any), interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the registered holder of the Global Certificate shall be considered as the holder of such Notes in accordance with and subject to the terms of the Global Certificate. Accordingly, each owner of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearance System and, if a person is not a participant in the relevant Clearance System, on the procedures of the participant through which the person owns its interest in order to exercise any rights of a Noteholder under the Trust Deed.

None of the Issuer, Temasek, the Arranger, the Dealers, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Definitive Certificates

Registration of title to Registered Notes in a name other than CDP or its nominee or a depositary for Euroclear and Clearstream will not be permitted unless (i) in the case of a Global Certificate deposited with a common depositary for Euroclear or Clearstream, Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, (ii) in the case of a Global Certificate deposited with CDP, CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or CDP has announced an intention permanently to cease business and no alternative clearing system is available or CDP has notified the Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the relevant Depository Services Agreement as amended, varied or supplemented from time to time and no alternative clearing system is available, or (iii) an event of default, enforcement event or analogous event entitling a securities account holder or the Trustee to declare the Notes to be due and payable as provided in the Terms and Conditions of the Notes has occurred and is continuing. In such circumstances, the Issuer will cause sufficient Definitive Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant holder(s) of the Notes.

A person having an interest in the relevant Global Certificate must provide the Registrar with written instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Certificates.

Trading within same Clearance System

Secondary market trading between Euroclear and/or Clearstream participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Euroclear and Clearstream and will be settled using procedures applicable to conventional Eurobonds in immediately available funds.

Annex B —
Trading

Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved.

Save as disclosed below, if the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S$200,000 (or its equivalent in other currencies).

Notes intended to be seasoned for trading by Retail Investors under the Seasoning Framework will initially be offered to Specified Investors only and traded in board lot sizes of at least S$200,000 (or its equivalent in foreign currency). After the end of the Seasoning Period and after receiving confirmation from the SGX-ST that the Notes are eligible for trading by Retail Investors, subject to fulfilment of the applicable conditions and provided the Issuer does not withdraw the Notes from the Seasoning Framework, the Notes will be seasoned and commence trading on the Main Board of the SGX-ST in board lot sizes of S$1,000 (or its equivalent in foreign currency).

For purposes of trading on the Main Board of the SGX-ST, each board lot of Straight Notes will comprise S$1,000 (or its equivalent in foreign currency) in principal amount of such Notes.

In relation to Straight Notes, Seasoned Notes and Post-Seasoning Notes, upon the listing and quotation of the Notes on the Main Board of the SGX-ST, the Notes will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. The Notes may also be traded over-the-counter on the Debt Securities Clearing and Settlement System. All dealings in and transactions (including transfers) of the Notes effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited", as the same may be amended from time to time. Copies of the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" are available from CDP.

Unless otherwise stated in the relevant Pricing Supplement, in respect of Notes denominated in Singapore dollars and accepted for clearance by CDP, dealings in the Notes will be carried out in Singapore dollars and will be effected for settlement through CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third market day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts.

An investor may open a direct Securities Account with CDP or a securities sub-account with any Depository Agent. A Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

In addition, in respect of Notes which are accepted for clearance by CDP, the Notes will be represented by a Global Certificate or Global Note registered in the name of, and deposited with, CDP and, except in the limited circumstances described in the provisions of the Global Certificate or Global Note, as the case may be, owners of interests in Notes represented by the Global Certificate, or Global Note as the case may be, will not be entitled to receive Definitive Certificates or Definitive Notes, as the case may be, in respect of their individual holdings of Notes. Accordingly, prospective investors who wish to subscribe for the public offer tranche of Straight Notes and Post-Seasoning Notes must already have, or must open, a Securities Account with CDP directly.

Prospective investors who wish to open a Securities Account with CDP directly must do so personally at CDP's office at 9 North Buona Vista Drive #01-19/20, The Metropolis, Singapore 138588.

Further details can be obtained as follows:

(i) CDP's hotline at +65 6535 7511, which is available on Mondays to Fridays from 8.30 a.m. to 5.00 p.m. and on Saturdays from 8.30 a.m. to 12.00 p.m. The hotline is not available on Sundays and public holidays; or

(ii) CDP's website at https://www1.cdp.sgx.com/sgx-cdp-web/login.

Information on CDP's website does not constitute a part of this Offering Circular.

In respect of Notes which are accepted for clearance by CDP, for so long as the Notes are represented by the Global Certificate or Global Note held through CDP, interest payable on the Notes will be determined based on each Noteholder's aggregate holdings in his direct Securities Account. CDP will credit payments of interest and principal (where applicable) to a Noteholder into the bank account linked to his Securities Account, or send the Noteholder a cheque by ordinary mail if there is no such link. Investors who wish to apply for a bank account to be linked to their Securities Account may submit a completed application form which may be obtained from CDP. Where the Notes are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with interest and principal payments. The Issuer, Temasek, the Arranger, the Dealers, the Trustee, the Registrar, the Issuing and Paying Agent or any other agent accept no responsibility for any failure or delay on the part of any Depository Agent in doing so or in respect of the performance of the contractual duties of any Depository Agent to any investor.

Annex C —
Form of Pricing Supplement

The form of Pricing Supplement that will be issued in respect of each series of Notes, subject only to the deletion of non-applicable provisions or modifications, as appropriate, is set out below:

[Preliminary Pricing Supplement dated ***[date]***

This Preliminary Pricing Supplement is a preliminary document in draft form and the information herein is not complete and is subject to further amendments and completion in the final Pricing Supplement to be announced or otherwise disseminated on SGXNET. Under no circumstances shall this Preliminary Pricing Supplement constitute an offer to sell or any solicitation of an offer to buy any securities in any jurisdiction. No offer or agreement to purchase or subscribe for any of the Notes may be made on the basis of this Preliminary Pricing Supplement. This Preliminary Pricing Supplement does not contain or have attached to it any form of application that will facilitate the making by any person of an offer of the Notes or the acceptance of such an offer by any person. The Notes may not be offered until the final Pricing Supplement and the Product Highlights Sheet relating to the offer are announced or otherwise disseminated on SGXNET. A person to whom a copy of this Preliminary Pricing Supplement is issued must not circulate or transfer this copy to any other person. No reliance may be placed for any purpose whatsoever on the information contained in this Preliminary Pricing Supplement or on its completeness. By accepting this Preliminary Pricing Supplement, you agree to be bound by the restrictions set out herein.][1]

Pricing Supplement dated ***[date]***

(Announced on SGXNET on ***[date]***)

Temasek Financial (IV) Private Limited
Issue of [Aggregate Nominal Amount of Series] [Title of Notes]
unconditionally and irrevocably guaranteed by
Temasek Holdings (Private) Limited
Under the S$5,000,000,000 Guaranteed Medium Term Note Programme
Series Number [●]

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 conditions set forth in the Offering Circular dated 3 August 2018 (the "Offering Circular"). Capitalised terms used herein shall have the meanings given to them in the Offering Circular.

[This Pricing Supplement shall be supplemented by, and read together with, a supplement (the "**Issue Details Supplement**") substantially in the form set out in Appendix C hereto, to be issued on or before the Issue Date][2]. This Pricing Supplement [(as supplemented by the Issue Details Supplement)][3] contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

[This offer to investors in Singapore under the Programme is made in reliance on an exemption granted by the Monetary Authority of Singapore (the "MAS") pursuant to the Securities and Futures (Offers of Investments) (Exemption for Offers of Straight Debentures) Regulations 2016 (the "Exemption Regulations for Straight Debentures"). It is not made in or accompanied by a prospectus that is registered by the MAS. This document constitutes the pricing supplement referred to in the Exemption Regulations for Straight Debentures. This Pricing Supplement together with the base document constitute the simplified disclosure document referred to in the Exemption Regulations for Straight Debentures.

1 To be inserted in Preliminary Pricing Supplement for offers of Straight Notes and Post-Seasoning Notes only

2 To be inserted only if relevant. An Issue Details Supplement will be issued only where (i) to provide for flexibility in terms of the issue size in the Pricing Supplement, and/or (ii) other administrative details (such as the ISIN and Common Code) are not available at the time when the Pricing Supplement is issued. The final issue size and such other details will be included in the Issue Details Supplement when they are made available any time on or before the Issue Date

3 To be inserted only if relevant. See comment in footnote 2 above

The Guarantor satisfies the requirements set out in Regulation 5(1) of the Exemption Regulations for Straight Debentures as follows:

(i) For a continuous period of five years immediately before the time of the offer, debentures issued by entities wholly-owned by the Guarantor were unconditionally and irrevocably guaranteed by the Guarantor and listed for quotation on the SGX-ST;

(ii) The Guarantor's net assets, as determined from the published audited annual consolidated financial statements for its most recent completed financial year, are not less than S$500 million and its average net assets, as determined from the published audited annual consolidated financial statements for its three most recent completed financial years, are not less than S$500 million; and

(iii) Debentures issued in the period of five years immediately before the time of the offer by entities wholly-owned by the Guarantor and which are unconditionally and irrevocably guaranteed by the Guarantor satisfy both of the following: (A) the total value of all of those debentures that are or were listed for quotation on the SGX-ST, as at the date they were issued, was not less than S$1 billion (or its equivalent in a foreign currency) and (B) there has not been a default in the repayment of moneys under any of those debentures.][4]

[This Pricing Supplement relates to an offer of Notes which are intended to be seasoned for trading by Retail Investors under the Seasoning Framework. The Notes will initially be issued to Specified Investors only and cannot be sold to Retail Investors before the end of the Seasoning Period. The Notes may be seasoned for trading by Retail Investors on the Main Board of the SGX-ST after the Seasoning Period. If successfully seasoned, after the end of the Seasoning Period, new Notes forming the same series as the initial issue of Notes may be offered or sold to or made the subject of an invitation for subscription or purchase by, among others, Retail Investors, pursuant to one or more re-taps.][5]

[This Pricing Supplement relates to a re-tap of Series **[●]** Notes (originally issued on ***[date]***). The Notes were initially issued to Specified Investors only and have been seasoned and are eligible for trading by Retail Investors on the Main Board of the SGX-ST. The Notes are being offered or sold to or made the subject of an invitation for subscription or purchase by [Retail Investors only/Retail Investors, Institutional Investors and Relevant Persons] pursuant to one or more re-taps.][6]

[As at the date of this document, the Guarantor meets the criteria for exemption under the Exemption Regulations for Post-Seasoning Debentures.][7]

[**Notification under Section 309B(1)(c) of the SFA:** The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[PRIIPS REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor in the EEA means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.][8]

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4 This legend is to be included for offers of Straight Notes, and is to appear on the front cover of the Pricing Supplement

5 This legend is to be included for initial offer of Notes to Specified Investors which are intended to be seasoned

6 This legend is to be included for offers of Post-Seasoning Notes

7 This legend is to be included for initial offer of Notes to Specified Investors which are intended to be seasoned and for offers of Post-Seasoning Notes

8 To be inserted unless the Pricing Supplement specifies "Prohibition of Sales to EEA Investors" as "Not Applicable"

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET — Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended "MiFID II")][MiFID II] and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment and determining appropriate distribution channels.]

[While the Qualifying Debt Securities ("QDS") scheme under the Income Tax Act, Chapter 134 of Singapore is subsisting and the conditions for the relevant QDS tax concessions and exemptions are met (as set out in the Offering Circular), holders of the Notes should take note of the following:][9]

[Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "Income Tax Act"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.][10]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.

Note that only Notes which fall within the definition of "seasoned debenture" in the Exemption Regulations for Post-Seasoning Debentures may be seasoned for trading by Retail Investors under the Seasoning Framework and that only Notes which fall within the definition of "straight debenture" in the Exemption Regulations for Straight Debentures may be offered pursuant to the Exemption Regulations for Straight Debentures.]

1	(i) Issuer:	Temasek Financial (IV) Private Limited
	(ii) Guarantor:	Temasek Holdings (Private) Limited
2	(i) Series Number:	
	(ii) [Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]	
3	Specified Currency or Currencies:	
4	Aggregate Nominal Amount:	[*[●]* / *See the information set out in Appendix A[, as supplemented by the Issue Details Supplement to be issued on or before the Issue Date]*[11]]
	(i) Series:	
	(ii) [Tranche:]	
5	Issue Price:	% of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (in the case of fungible issues only, if applicable)]

9 Insert if and as applicable

10 Insert if and as applicable

11 To be inserted only if relevant. See comment in footnote 2 above

6	Specified Denominations:		
7	(i)	Issue Date:	
	(ii)	Interest Commencement Date:	
8	Maturity Date:		[*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*][12]
9	Interest Rate Basis:		[% Fixed Rate] [[*specify reference rate*] +/-% Floating Rate] [Zero Coupon] [Index Linked Interest] [Other *(specify)*] (further particulars specified below)
10	Redemption/Payment Basis:		[Redemption at Par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other *(specify)*]
11	Change of Interest or Redemption/Payment Basis:		[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12	(i)	Status of the Notes:	[Senior/Other *(specify)*]
	(ii)	Status of the Guarantee:	[Senior/Other *(specify)*]
13	Listing:		[SGX-ST/Other *(specify)*/None]
14	Method of distribution:		[Syndicated/Non-syndicated]

Provisions Relating to Interest (if any) Payable

15	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Interest Rate:	% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
	(iii)	Fixed Coupon Amount [(s)]:	per in nominal amount
	(iv)	Broken Amount:	[*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate*]
	(v)	Day Count Fraction:	(Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars)
	(vi)	Determination Date(s):	in each year. [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*][13]

[12] Straight Notes and Notes offered under the Seasoning Framework must not have a maturity of less than one year

[13] Only to be completed for an issue where Day Count Fraction is Actual/Actual-ISMA.

	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
16	**Floating Rate Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Interest Period(s):	
	(ii)	Specified Interest Payment Dates:	
	(iii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
	(iv)	Business Centre(s):	
	(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other *(give details)*]
	(vi)	Interest Period Date(s):	[Not Applicable/*specify dates*]
	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]):	
	(viii)	Screen Rate Determination:	
		— Relevant Time:	
		— Interest Determination Date:	[[TARGET] Business Days in [*specify city*] for [*specify currency*] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
		— Primary Source for Floating Rate:	[*Specify relevant screen page or "Reference Banks"*]
		— Reference Banks (if Primary Source is "Reference Banks"):	[*Specify four*]
		— Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark — *specify if not London*]
		— Benchmark:	[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]
		— Representative Amount:	[*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*]
		— Effective Date:	[*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*]
		— Specified Duration:	[*Specify period for quotation if not duration of Interest Accrual Period*]
	(ix)	ISDA Determination:	
		— Floating Rate Option:	
		— Designated Maturity:	
		— Reset Date:	
		— ISDA Definitions (if different from those set out in the Conditions):	

(x)	Spread:	[+/−]% per annum
(xi)	Minimum Rate of Interest:	% per annum
(xii)	Maximum Rate of Interest:	% per annum
(xiii)	Day Count Fraction:	
(xiv)	Spread Multiplier:	
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	
16A	**Singapore Dollar Notes**	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(i)	Floating Rate Notes:	
	— Manner in which the Rate of Interest is to be determined:	[SIBOR Notes/Swap Rate Notes/Variable Rate Notes/Other]
	— Calculation Amount:	[*Specify*]
	— Denomination Amount:	[*Specify*]
	— Interest Commencement Date:	[*Specify date(s)*]
	— Interest Payment Date:	[*Specify date(s)*]
	— Interest Period:	[*Specify*]
	— Interest Denomination Date:	[Business Days in [Singapore] prior to [*specify date(s)]*]
	— Relevant Time:	[11.00 a.m. (Singapore time)/Other]
	— Relevant Business Day:	[*Specify*]
	— Spread:	[*Give details*]
	— FRN Day Basis:	[*Specify*]
(ii)	SIBOR Notes:	
	— Screen Page:	[*Give details*]
	— Reference Banks:	[*Specify*]
(iii)	Swap Rate Notes:	
	— Discount/Premium:	[*Specify*]
	— Other terms or special conditions:	[Not applicable/*give details*]
(iv)	Variable Rate Notes:	
	— Interest Commencement Date:	[*Specify date(s)*]
	— Interest Payment Date:	[*Specify date(s)*]
	— Interest Period:	[*Specify dates*]
	— Relevant Dealer:	[*Specify*]
	— Other terms or special conditions:	[Not applicable/*give details*]
(v)	Calculation Agent:	[*Specify*]
17	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(i)	Amortisation Yield:	% per annum
(ii)	Day Count Fraction:	
(iii)	Any other formula/basis of determining amount payable:	

18	**Index Linked Interest Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Index/Formula:	[*Give or annex details*]
	(ii)	Calculation Agent responsible for calculating the interest due:	
	(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	
	(iv)	Interest Period(s):	
	(v)	Specified Interest Payment Dates:	
	(vi)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other *(give details)*]
	(vii)	Business Centre(s):	
	(viii)	Minimum Rate of Interest:	% per annum
	(ix)	Maximum Rate of Interest:	% per annum
	(x)	Day Count Fraction:	
19	**Dual Currency Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Rate of Exchange/Method of calculating Rate of Exchange:	[*Give details*]
	(ii)	Calculation Agent, if any, responsible for calculating the principal and/or interest due:	
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	
	(v)	Day Count Fraction:	

Provisions Relating to Redemption

20	**Optional Redemption**		[Applicable/Not Applicable] *(If applicable, provide further details, including the Make Whole Call Reference Rate and the amount of spread for purposes of determining the Optional Redemption Amount)*
21	**Optional Tax Redemption**		[Applicable/Not Applicable]
22	**Additional Call Options**		[Applicable/Not Applicable]
23	**Put Option**		[Applicable/Not Applicable] *(If applicable, provide further details)*
24	**Final Redemption Amount of each Note**		[per Note of specified denomination/ Other/See Appendix]
25	**Early Redemption Amount**		
	(i)	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or an event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	

(ii)	Redemption for taxation reasons permitted on days other than Interest Payment Dates:	[Yes/No]
(iii)	Unmatured Coupons to become void upon early redemption (Bearer Notes only):	[Yes/No/Not Applicable]

General Provisions Applicable to the Notes

26	Form of Notes:	Bearer Notes/Registered Notes [*Delete as appropriate*]
(i)	Form of Global Note:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on days' notice] [Permanent Global Note exchangeable for Definitive Notes on days' notice/at any time/in the limited circumstances specified in the permanent Global Note] [Global Certificate exchangeable for Definitive Certificates only in the limited circumstances specified in the Trust Deed]
(ii)	Applicable TEFRA Rules:	[D Rules/C Rules/Not Applicable]* * Where D Rules are applicable, a Note must be issued in the form of a Temporary Global Note exchangeable upon certification of non-U.S. beneficial ownership for a Permanent Global Note or for Definitive Notes.
27	Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(iv) and 18(vii) relate*]
28	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
29	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Yes/No. *If yes, give details*]
30	Details relating to Instalment Notes:	[Not Applicable/*give details*]
(i)	Instalment Amount(s):	
(ii)	Instalment Date(s):	
(iii)	Minimum Instalment Amount:	
(iv)	Maximum Instalment Amount:	
31	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition] [annexed to this Pricing Supplement] apply]
32	Consolidation provisions:	[Not Applicable/The provisions [in Condition] [annexed to this Pricing Supplement] apply]
33	Other terms or special conditions:	[Not Applicable/*give details*]

Distribution

34	(i)	If syndicated, names of Dealers:	[Not Applicable/*give names*]
	(ii)	Stabilising Manager (if any):	[Not Applicable/*give name*]
	(iii)	Dealer's Commission:	
35		If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
36		Additional selling restrictions:	[Not Applicable/See "Additional Selling Restrictions" below/*give details*]
37		Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]

Operational Information

38	ISIN Code:	
39	Common Code:	
40	Clearing System(s):	[CDP] [Euroclear and Clearstream, Luxembourg] *(if any clearing system(s) other than CDP or Euroclear and Clearstream, Luxembourg, provide the following information)* [*Name of Clearing System(s)*/*Identification Number(s)*]
41	Delivery:	Delivery [against/free of] payment
42	The Agents appointed in respect of the Notes are:	
43	Credit ratings:	See "Credit ratings" of the Offering Circular and "Credit ratings" in Appendix A

General

44	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with :	[Not Applicable/*give details*]
45	The aggregate principal amount of Notes issued has been translated into Singapore dollars at the rate of , producing a sum of (for Notes not denominated in Singapore dollars):	[Not Applicable/S$]
46	Other terms:	[Not Applicable/See the information set out in Appendix [A]]

[SIGNIFICANT CHANGES

Save as disclosed in the Offering Circular and below, no event has occurred from 31 March [●] to ***[date]***, being the latest practicable date prior to the issue of this Pricing Supplement, which may have a material effect on the ability of the Issuer or the Temasek Group as a whole to meet its payment obligations under the Notes.

[*Disclose significant changes, if any*]][14]

[LISTING APPLICATION

This Pricing Supplement [(as supplemented by the Issue Details Supplement)][15] comprises the final terms required to list the issue of Notes described herein pursuant to the Issuer's S$5,000,000,000 Guaranteed Medium Term Note Programme.]

Approval in-principle has been received for the listing of, and quotation for, the Notes described herein on the SGX-ST. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries (if any), their respective associates (if

[14] To include for offers of Straight Notes if there are any significant changes since the date of the Offering Circular

[15] To be inserted only if relevant. See comment in footnote 2 above

any), the Programme or the Notes. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

[STABILISING

In connection with the issue of the Notes, one or more Dealers named as stabilising manager (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.][16]

[ADDITIONAL SELLING RESTRICTIONS

Each of the Dealers in respect of the series of Notes to be issued under the Programme has represented, acknowledged and agreed that it has complied with the selling restrictions set forth in "Plan of distribution — Selling Restrictions" in the Offering Circular and the additional selling restrictions set forth below in the offer of such Notes:

[*specify applicable additional selling restrictions*]]

[16] To include other than for Straight Notes and Post-Seasoning Notes

Appendix A — Other Terms

(Note: Items set out below may be applicable for offers of Straight Notes or Post-Seasoning Notes. If not applicable, state "Not Applicable" or delete item)

Offer	:	The Issuer will offer and issue [up to] [S]$[●] in aggregate principal amount of Notes pursuant to the Public Offer and Placement (each as defined below), provided that: (1) The Issuer shall not be under any obligation to issue any Notes if the Allocation Condition is not satisfied. "Allocation Condition" means that no Note shall be issued unless [not less than 20% of the Notes are issued to Institutional Investors and Relevant Persons (excluding any amount of Notes issued or to be issued to the Dealers for their own accounts).][17] / [The total of (i) the value of the Notes to be issued to Retail Investors and (ii) the value, as at the date of issue, of Notes previously issued to Retail Investors through re-taps (if any), does not exceed 50% of the total value, as at the date of issue, of the Notes initially issued to Specified Investors only (excluding Notes issued to the Dealers for their own accounts).][18] [(2) Subject to the Allocation Condition, the Issuer and the Guarantor may, at their discretion and in consultation with the Dealers, re-allocate the aggregate principal amount of Notes offered between the Public Offer and the Placement (the "Re-allocation"). The actual aggregate principal amount of the Notes to be issued and the allocation between the Public Offer and the Placement (if any) will be finalised on or prior to the Issue Date [and set out in the Issue Details Supplement][19]. Unless indicated otherwise, all information in the Offering Circular and this Pricing Supplement assumes that no Notes have been re-allocated between the Public Offer and the Placement [and *[insert any other relevant condition]*][20].] *[insert any other conditions]*
Public Offer	:	The offering of [up to] [S]$**[●]** in aggregate principal amount of Notes at the Issue Price to Retail Investors in Singapore through Electronic Applications[, subject to the Re-allocation [and *[insert any other conditions]*] described in "Offer" above].
Placement	:	The offering of [up to] [S]$**[●]** in aggregate principal amount of Notes at the Issue Price to Institutional Investors and other investors[, subject to the Re-allocation [and *[insert any other conditions]*] described in "Offer" above].
Plan of Distribution	:	*[insert description in relation to the Notes]*
Application and Payment Procedures	:	Applications for Notes offered through the Public Offer must be made by way of Electronic Applications. Applications for Notes offered through the Placement may only be made directly through the Dealers who will determine, at their discretion, the manner and method for applications under the Placement. The Notes will be issued in minimum denominations of [S]$1,000 and integral multiples of [S]$1,000 in excess thereof. *[indicate if any minimum subscription amount]* The Issuer, the Guarantor and the Dealers reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or

[17] Applicable only for offers made pursuant to the Exemption Regulations for Straight Debentures
[18] Applicable only for offers made pursuant to the Exemption Regulations for Post-Seasoning Debentures
[19] To be inserted only if relevant. See comment in footnote 2 above
[20] To be inserted only if relevant. See comment in footnote 2 above

		correspondence on their decision will be entertained. This right applies to all applications for the Notes. Applications for Notes under the Public Offer may be made from **[●]** [a.m./p.m.] on ***[date]*** to **[●]** [a.m./p.m.] on ***[date]*** (or such other time(s) and date(s) as the Issuer and the Guarantor may, at their absolute discretion, decide with the approval of the SGX-ST (if required) and in consultation with the Dealers and subject to any limitation under any applicable laws). See "Expected Timetable of Key Events" below for more details. Prospective investors applying for Notes under the Public Offer must do so by way of Electronic Applications and follow the application procedures set out in "Terms and Conditions for Electronic Applications" in Appendix B of this Pricing Supplement. Prospective investors applying for the Notes under the Placement must contact the Dealers directly.
Participating Banks	:	[*insert Participating Banks*]
Expenses charged to subscriber	:	The expenses incurred in connection with the offer of the Notes will not be specifically charged to subscribers for the Notes. *[insert any administrative fee payable in connection with Electronic Applications]*
Credit ratings	:	*[insert if credit rating(s) are obtained for the Notes]*
Eligibility under CPF Investment Scheme	:	*[indicate whether the Notes will be eligible under the CPF Investment Scheme]*
Eligibility under Supplementary Retirement Scheme	:	*[indicate whether the Notes will be eligible under the Supplementary Retirement Scheme]*
Estimated proceeds from the offer	:	*[insert estimated amount of gross proceeds]*
Use of proceeds	:	*[insert intended use of proceeds]*

EXPECTED TIMETABLE OF KEY EVENTS

Announcement on SGXNET of [the Offering Circular][21], the Pricing Supplement and the Product Highlights Sheet:	***[date]***
Opening date and time for applications for the Notes under the Placement:	After announcement on SGXNET of [the Offering Circular,] the Pricing Supplement and the Product Highlights Sheet on [*date*]
Opening date and time for applications for the Notes under the Public Offer:	***[date]*** at ***[time]***
Last date and time for applications for the Notes under the Public Offer [and the Placement]:	***[date]*** *at* ***[time]***
Balloting of applications under the Public Offer, if necessary (in the event of an oversubscription of the Notes under the Public Offer). Commence returning or refunding application moneys to unsuccessful or partially successful applicants:	***[date]***
Expected announcement on SGXNET of results of the Public Offer and the Placement:	***[date]***
Expected Issue Date:	***[date]***

[21] References to announcement of the Offering Circular can be removed if the Offering Circular has already been announced and does not need to be further announced at the time of issuance

Expected date and time of commencement of trading of the Notes on the Main Board of the SGX-ST:	***[date]***

The above timetable is indicative only and is subject to change. As at the date of this Pricing Supplement, the Issuer does not expect the above timetable to be modified. However, the Issuer and the Guarantor may, at their absolute discretion with the approval of the SGX-ST (if required), and in consultation with the Dealers, extend, shorten or modify the above timetable as it may think fit subject to any limitation under any applicable laws. In particular, the Issuer and the Guarantor will, in consultation with the Dealers, have the absolute discretion to close the Public Offer and/or the Placement early. The Issuer will publicly announce any changes to the above timetable through a SGXNET announcement to be posted on the SGX-ST's website at http://www.sgx.com.

Appendix B — Terms and Conditions for Electronic Applications

[*to be inserted*]

[Appendix C — Issue Details Supplement

The form of Issue Details Supplement that will be issued in respect of each series of Notes where applicable, subject only to the deletion of non-applicable provisions or modifications, as appropriate, is set out below:

Issue Details Supplement dated ***[date]***

Temasek Financial (IV) Private Limited
Issue of [Aggregate Nominal Amount of Series] [Title of Notes]
unconditionally and irrevocably guaranteed by
Temasek Holdings (Private) Limited
Under the S$5,000,000,000 Guaranteed Medium Term Note Programme
Series Number [●]

Reference is made to the Pricing Supplement issued by the Issuer on ***[date]*** in respect of the Series **[●]** Notes (the "**Pricing Supplement**").

This document constitutes the Issue Details Supplement referred to in the Pricing Supplement. Capitalised terms used herein shall have the meanings given to them in the Offering Circular and the Pricing Supplement.

The Pricing Supplement shall be supplemented on the Issue Date in respect of the Notes by the terms set out below.

1	Aggregate Nominal Amount:	
	(i) Series:	[S]$[●]
	(ii) [Tranche:]	[S]$[●]
2	Offer:	The Issuer [has exercised the right of Re-allocation *[insert any other applicable condition]*] and will offer and issue [S]$**[●]** in aggregate principal amount of Notes pursuant to the Public Offer and Placement, to be allocated as follows: (a) [S]$**[●]** in aggregate principal amount of Notes to the Public Offer; and (b) [S]$**[●]** in aggregate principal amount of Notes to the Placement.
3	ISIN Code:	[●]
4	Common Code:	[●]
5	Other terms:	[●] / [Not Applicable]][22]

22 To be inserted only if relevant. See comment in footnote 2 above

Annex D —
Constitutional safeguards

The following is a general summary of the provisions in the Constitution of Singapore relating to Temasek as a company specified in Part II of the Fifth Schedule to the Constitution as at the date of this Offering Circular. This summary is for general information only and does not purport to be a comprehensive description or exhaustive statement of applicable laws as at the date of this Offering Circular. All references to "CEO" in this Annex D refer to the Chief Executive Officer of Temasek Holdings (Private) Limited.

The Constitution is the supreme law of Singapore. The Constitution provides that the President of Singapore (the "President"), who shall be elected by the citizens of Singapore in accordance with any law made by the Legislature of Singapore, shall be the Head of State. A constitutional framework relating to the safeguarding of reserves (namely, the excess of assets over liabilities) of the Government of Singapore (the "Government"), statutory boards specified in Part I of the Fifth Schedule to the Constitution (each, a "Statutory Board") and Government companies specified in Part II of the Fifth Schedule to the Constitution (each, a "Fifth Schedule Company") is set out in the Constitution. The Constitution provides for the President to exercise certain powers over the appointment of directors and the chief executive officer, the budget and certain proposed transactions of a Fifth Schedule Company. Temasek, being a Fifth Schedule Company specified in Part II of the Fifth Schedule to the Constitution, is subject to such powers of the President and the constitutional safeguards summarised below.

Appointment of Directors and Chief Executive Officer

The appointment or removal of any person as a director of Temasek ("Director") or CEO is not permitted unless the President, acting in his discretion, concurs with such appointment or removal, and without such concurrence of the President, the appointment or removal is void and of no effect. The term of appointment of a Director may not exceed three years. At the expiry of the term of appointment, a Director is eligible for reappointment.

Annual Budgets and Certain Proposed Transactions

Before the commencement of each financial year of Temasek, the Board of Directors is required to present to the President for his approval its annual budget (as well as any supplementary budget) for that financial year, together with a declaration (the "Declaration") by the chairman (the "Chairman") of the Board of Directors and the CEO whether the annual budget (or, as the case may be, supplementary budget) when implemented, is likely to draw on the reserves which were not accumulated by Temasek during the current term of office of the Government (the "Past Reserves"). The President, acting in his discretion, may disapprove the annual budget or supplementary budget of Temasek if, in his opinion, the budget is likely to draw on the Past Reserves, except that if he approves any such budget notwithstanding his opinion that the budget is likely to so draw on those reserves, the President is under a duty to cause his opinion to be published in the Government Gazette.

If the President has not approved the annual budget by the first day of the financial year, Temasek:

(a) shall, within three months of that first day, present to the President a revised budget for that financial year together with the Declaration described above; and

(b) may, pending the decision of the President, incur expenditure not exceeding one-quarter of the amount provided in the approved budget of Temasek for the preceding financial year.

In addition, if the President does not approve the revised budget, Temasek may during that financial year incur a total expenditure not exceeding the amount provided in the approved budget of Temasek for the preceding financial year; and the budget for the preceding financial year shall have effect as the approved budget for that financial year.

Within six months after the close of a financial year, the Board of Directors is required to present to the President:

(a) an audited profit and loss account showing the revenue collected and expenditure incurred by Temasek during that financial year, and an audited balance sheet showing the assets and liabilities of Temasek at the end of that financial year; and

(b) a declaration by the Chairman and CEO whether the audited profit and loss account and balance sheet of Temasek show any drawing on the Past Reserves.

The Board of Directors and the CEO have a duty to inform the President of any proposed transaction of Temasek, which is likely to draw on the Past Reserves. Where the President has been so informed, the President, acting in his discretion, may disapprove the proposed transaction (other than a proposed transaction which the Prime Minister of Singapore appointed under the Constitution (the "Prime Minister") and the Minister (appointed under the Constitution) responsible for defence, on the recommendations of the Permanent Secretary to the Ministry of Defence and the Chief of Defence Force, certify to be necessary for the defence and security of Singapore), except that if he does not disapprove any such proposed transaction even though he is of the opinion that such proposed transaction is likely to draw on the Past Reserves, the President is under a duty to cause his decision and opinion to be published in the Government Gazette.

General time limit for President to exercise discretionary powers and consequences if President does not exercise his discretion within such time limit

Where the Constitution authorises the President to act in his discretion in assenting to, concurring with, approving, disapproving or confirming any of the constitutional safeguards summarised above (the "Constitutional Safeguards"), the President must signify his decision within a specified period (the "Specified Period") after his assent, concurrence, approval or confirmation is sought or after he is informed of a proposed transaction which is likely to draw on the Past Reserves. The Specified Period in relation to the Constitutional Safeguards is six weeks, which may be reduced or extended in accordance with the Constitution.

In relation to the Constitutional Safeguards, if the President fails to signify his decision within the Specified Period, the President is deemed to have, at the end of that period, given the assent, concurrence, approval or confirmation sought in that case, or, declined to disapprove a proposed transaction which is likely to draw on the Past Reserves that the President was informed of.

Prime Minister and Chairman to receive President's grounds and Council's recommendation if President exercises veto on Constitutional Safeguards

In relation to the Constitutional Safeguards, if the President acts in his discretion to refuse to give the assent, concurrence or approval that was sought or to disapprove a proposed transaction which is likely to draw on the Past Reserves, the President must certify the grounds for his decision to the Prime Minister and send the recommendation of the Council of Presidential Advisers constituted under Part VA of the Constitution (the "Council") to the Prime Minister. Where the President disapproves the budget, supplementary budget or revised budget of, or a proposed transaction by, Temasek, the President must also send such grounds and recommendation to the Chairman.

Parliament may overrule Presidential veto exercised contrary to Council's recommendation

In relation to the Constitutional Safeguards, Parliament may, by resolution, overrule the President if (a) the President acts in his discretion to refuse to give the assent, concurrence or approval that was sought or disapprove a proposed transaction which is likely to draw on the Past Reserves and (b) the President's decision was made contrary to the Council's recommendation. Such resolution (a) may only be passed on a motion for which notice has been given by a Minister (appointed under the Constitution), (b) may only be moved after the Government causes the President's grounds (as certified in the manner described in the preceding paragraph) for the decision sought to be overruled to be published in the Government Gazette and sends the recommendation of the Council in relation to that decision to the Speaker of Parliament (who must present the recommendation to Parliament), and (c) must be passed by no less than two-thirds of the total number of Members of Parliament (excluding nominated Members of Parliament). Despite the provision that Parliament may, by resolution, overrule the President as described above in this paragraph, (a) a refusal by the President to approve a budget, revised budget or supplementary budget of Temasek, and (b) a decision by the President to disapprove a proposed transaction by Temasek, cannot be overruled unless the Chairman has made a request to the Cabinet constituted under the Constitution for such a resolution to be moved with respect to the refusal or the decision. If Parliament overrules the President, the President is deemed to have, on the date the overruling resolution was passed, given the assent, concurrence or approval that was sought or never to have disapproved of the proposed transaction which is likely to draw on the Past Reserves, as the case may be.

Council of Presidential Advisers

In relation to the Constitutional Safeguards, the President (a) must consult the Council before exercising any discretionary power conferred on him by the Constitution and (b) must immediately refer to the Council for its recommendation (i) any case where the President's assent, concurrence or approval is sought and which the President is so required to consult the Council and (ii) any proposed transaction which is likely to draw on the Past Reserves that the President is informed of. If the Council fails to give its recommendation within the time limit prescribed by the Constitution, the Council is deemed to have recommended that the President give the assent, concurrence or approval that was sought or not disapprove the proposed transaction which is likely to draw on the Past Reserves, as the case may be. The Council's recommendation to the President must state whether the recommendation is unanimous and if not, the number of votes for and against the recommendation as well as the grounds for the Council's recommendation.

Transfer of Past Reserves

A proposed transfer or transfer by Temasek of any of its reserves to the Government, any Statutory Board or another Fifth Schedule Company shall not be taken into account in determining whether the Past Reserves are likely to be or have been drawn on if:

(a) in the case of a proposed transfer or transfer of reserves by Temasek to the Government, the Minister (appointed under the Constitution) responsible for finance undertakes in writing to add those reserves of Temasek to the reserves accumulated by the Government before its current term of office;

(b) in the case of a proposed transfer or transfer of reserves by Temasek to a Statutory Board, that Statutory Board by resolution resolves that those reserves of Temasek shall be added to the reserves accumulated by that Statutory Board before the current term of office of the Government; or

(c) in the case of a proposed transfer or transfer of reserves by Temasek to another Fifth Schedule Company, the board of directors of that Fifth Schedule Company by resolution resolves that those reserves of Temasek shall be added to the reserves accumulated by that Fifth Schedule Company before the current term of office of the Government.

Any reserves so transferred shall be deemed to form part of the reserves accumulated by the Government, the relevant Statutory Board or, as the case may be, the relevant Fifth Schedule Company before the current term of office of the Government, on the relevant date specified in the Constitution.

Similarly, a proposed transfer or transfer by the Government, any Statutory Board or another Fifth Schedule Company of any of its respective reserves to Temasek shall not be taken into account in determining whether the reserves accumulated by the Government, that Statutory Board or, as the case may be, that Fifth Schedule Company before the current term of office of the Government are likely to be or have been drawn on if the Board of Directors by resolution resolves that those reserves shall be added to the Past Reserves. Any reserves so transferred will be deemed to form part of the Past Reserves.

President's Access to Information

In the exercise of his functions under the Constitution, it is provided under the Constitution that the President shall be entitled, at his request, to any information concerning Temasek which is available to the Board of Directors ("Temasek Information"). The Constitution further provides that the President may request the CEO or a Director to furnish any Temasek Information concerning the reserves of Temasek, and the CEO or Director concerned shall be under a duty to provide the information.

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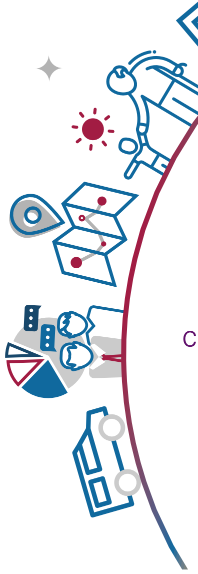
Building an abc World



In September 2015, Singapore and 192 other members of the United Nations signed up to deliver the United Nations **Sustainable Development Goals**, or SDGs, by 2030. The SDGs cover a wide-ranging set of ambitions that resonate with Temasek's commitment to sustainability and good governance as a steward, institution and investor.

At Temasek, we have organised the 17 SDGs into three pillars – the ABCs of sustainable development.

a — ACTIVE ECONOMY

Productive jobs
Sustainable cities
Fulfilling lives

4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

b — BEAUTIFUL SOCIETY

Resilient individuals
Inclusive communities
Just societies

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

c — CLEAN EARTH

Fresh air
Clean water
Cool world

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
SUSTAINABLE DEVELOPMENT GOALS

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