

IMPORTANT NOTICE

You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum (the “**Information Memorandum**”). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached. In accessing the attached, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED UNDER REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Restriction: The attached Information Memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Information Memorandum. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities, DBS Bank Ltd. or any other dealer (each, a “**Dealer**”) to subscribe for or purchase any of the securities described herein, and access has been limited so that it shall not constitute a general advertisement or general solicitation (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act) in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Dealer or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the attached Information Memorandum on the basis that you are a person into whose possession this Information Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

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The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the issuer of the securities, the Dealer nor any of their employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed your representation that (1) you and any customers you represent are neither resident in the United States nor a U.S. person (as defined under Regulation S under the Securities Act) and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, (2) if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (B) agree to be bound by the limitations and restrictions described herein, (3) you consent to delivery of the attached Information Memorandum and any amendments or supplements thereto by electronic transmission and (4) you agree to the foregoing terms and conditions.



LAND TRANSPORT AUTHORITY OF SINGAPORE

(Established under the Land Transport Authority of Singapore Act, Chapter 158A of Singapore)

S\$12,000,000,000

Multicurrency Medium Term Note Programme (the "Programme")

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by the Land Transport Authority of Singapore (the "**Issuer**" or "**LTA**") under the Programme 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 Securities and Futures Act, Chapter 289 of Singapore (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.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States or any other jurisdiction, and the Notes may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. The Notes may only be offered and sold outside the United States to persons who are not U.S. persons in offshore transactions in reliance on Regulation S. In addition, subject to certain exceptions, Bearer Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**")). See "Subscription and Sale" for further details.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and the listing 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. The approval in-principle from, and admission to the Official List of, the SGX-ST and the listing and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, associated companies (if any) or joint venture companies (if any), the Programme or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Unlisted Notes may also be issued under the Programme.

Arranger and Dealer



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NOTICE

DBS Bank Ltd. (the “**Arranger**”) has been authorised by the Land Transport Authority of Singapore (the “**Issuer**” or “**LTA**”) to arrange the Programme described herein. Under the Programme, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes in bearer or registered form in Singapore dollars and/or any other currencies. The maximum aggregate principal amount of all Notes which may be issued from time to time pursuant to the Programme and which remain outstanding will not exceed S\$12,000,000,000 (or its equivalent in other currencies), subject to any duly authorised increase pursuant to the terms of the Programme Agreement (as defined herein). On 5 March 2018, the maximum aggregate principal amount of all Notes which may be issued from time to time pursuant to the Programme and which remain outstanding was increased from S\$5,000,000,000 to S\$12,000,000,000.

Notes may be issued in Series (as defined herein) having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section “Overview of the Programme”)) for the issue dates, interest commencement dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Notes of each Series may be issued in one or more Tranches (as defined herein) on different issue dates. Details applicable to each particular Series or Tranche will be supplied in the applicable pricing supplement (each, a “**Pricing Supplement**”), which will contain the aggregate principal amount of the Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche. This Information Memorandum may not be used to consummate sales of Notes, unless accompanied by a Pricing Supplement.

The Issuer confirms that having made all reasonable enquiries, to the best of its knowledge and belief, (1) this Information Memorandum contains all information with respect to the Issuer and its subsidiaries and to the Notes which is material in the context of the issue and offering of the Notes and (2) such information contained herein is true and accurate in all material respects as at the date hereof. No person is authorised to give any information or make any representation not contained in and/or not consistent with this Information Memorandum in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Arranger, any of the Dealers (as defined herein), the Trustee (as defined herein) or the Agents (as defined herein). Neither the delivery of this Information Memorandum (or any part hereof), the issue of the Notes nor any subscription for or purchase or sale of the Notes made in connection therewith shall under any circumstances create any implication that there has been no change in the information contained herein since the date hereof or that there has been no change in the business or financial position of the Issuer or its subsidiaries, associated companies (if any) or joint venture companies (if any) since the date hereof. Nothing contained herein is, or may be relied upon as, a promise, representation or covenant as to the future performance or policies of the Issuer or its subsidiaries, associated companies (if any) or joint venture companies (if any).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger, any of the Dealers, the Trustee or the Agents that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. Each investor contemplating subscribing for or purchasing any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any other such document or information (or such part thereof), and obtain its own independent legal or other advice thereon, and its investment should be, and shall be deemed to be, based upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subsidiaries, associated companies (if any) and joint venture companies (if any). Notwithstanding anything herein contained, none of the Issuer, the Arranger, any of the Dealers, the Trustee or the Agents, or any of their respective directors, officers, employees or agents, shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or any part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in

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this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the issue of the Notes shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger, any of the Dealers, the Trustee or the Agents to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other document or material in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the Programme and the Notes. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by any Dealer on such basis as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Any subscription, purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein), the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the subscription, purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without liability or responsibility on the part of the Issuer, the Arranger, any of the Dealers, the Trustee or the Agents) lapse and cease to have any effect if (for any reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Notes shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger, any of the Dealers, the Trustee or the Agents to subscribe for or purchase, any of the Notes in any jurisdiction in which it is unlawful for such person to make such an offer or invitation. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied may be used in connection with an offer or solicitation by any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution and publication of this Information Memorandum or any such other document or information (or any part thereof) and each offering of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information (or any part thereof) or into whose possession this Information Memorandum or any such other document or information (or any part thereof) comes are required to inform themselves about and observe any such restrictions and all applicable laws, orders, rules and regulations.

To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee and the Agents accepts any responsibility for the contents of this Information Memorandum. Each of the Arranger, the Dealers, the Trustee and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum.

The Arranger and the Dealers have not independently verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer, its subsidiaries, associated companies (if any) or joint venture companies (if any). Further, none of the Arranger or the Dealers makes any representation or warranty as to the Issuer, its subsidiaries, associated companies (if any) or joint venture companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any

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other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

This Information Memorandum must be read and construed in conjunction with each relevant Pricing Supplement and all other documents which are deemed to be incorporated by reference in the Information Memorandum and in the relevant Pricing Supplement. The Information Memorandum and the relevant Pricing Supplement must, save as specified herein and therein, be read and construed on the basis that such documents are so incorporated by reference and form part of the Information Memorandum and the relevant Pricing Supplement. This Information Memorandum must also be read and construed in conjunction with the Issuer's most recently published audited consolidated financial statements and any supplement to or amendment to this Information Memorandum issued by the Issuer, which shall be deemed to be incorporated in, and to form part of, this Information Memorandum and which is deemed to modify or supersede the contents of this Information Memorandum to the extent that a statement contained in any such document is inconsistent with such contents (whether expressly, by implication or otherwise). Any statement contained in this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in subsequent document that is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Principal Paying Agent (as defined herein).

The attention of the recipients of this Information Memorandum is drawn to the restrictions on subscription, purchase and resale of the Notes set out under "Subscription and Sale" on page 75 of this Information Memorandum.

Each person who is invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent must not make any offer or sale, directly or indirectly, of any Notes or distribute, or cause to be distributed, any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with all applicable laws and regulations.

Each person contemplating the subscription or purchase of any Notes should consult its own legal and other professional advisers and make its own independent investigation of the financial condition and affairs of the Issuer and its subsidiaries, associated companies (if any) and joint venture companies (if any), and its own appraisal of the creditworthiness of the Issuer and its subsidiaries, associated companies (if any) and joint venture companies (if any). Such persons are also advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of Notes.

Markets in Financial Instruments Directive II

The Pricing Supplement in respect of any Notes will 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

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Notes, but otherwise 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.

Packaged Retail Investment and Insurance Products – Prohibition of Sales to 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 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; or (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; or (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 “**PRIPs 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 PRIPs Regulation.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer (including statements as to the Issuer’s revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the statements as to the expansion plans of the Issuer, expected growth in the Issuer and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section “Risk Factors”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer to be materially different from the results, performance or achievements expected, expressed or implied by the forward-looking statements in this Information Memorandum, undue reliance must not be placed on those statements. None of the Issuer, the Arranger, any of the Dealers, the Trustee or the Agents represents or warrants that the actual future results, performance or achievements of the Issuer will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue of the Notes by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum.

Further, each of the Issuer, the Arranger, the Dealers, the Trustee and the Agents disclaims any responsibility, and undertakes no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate or unless the context otherwise requires, been used in this Information Memorandum:

<i>“Agency Agreement”</i>	:	The Agency Agreement dated 14 August 2015 made between LTA, DBS Bank Ltd., as principal paying agent, transfer agent and registrar, and DBS Trustee Limited, as trustee, as amended and restated by an amendment and restatement agency agreement dated 5 March 2018 made between the same parties, and as further amended, restated or supplemented from time to time
<i>“Agents”</i>	:	The Principal Paying Agent, the Transfer Agent and the Registrar
<i>“Arranger”</i>	:	DBS Bank Ltd.
<i>“Bearer Notes”</i>	:	Notes in bearer form
<i>“Board”</i>	:	The members of the Issuer under the LTA Act
<i>“CDP” or “Depository”</i>	:	The Central Depository (Pte) Limited
<i>“Companies Act”</i>	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<i>“Dealers”</i>	:	DBS Bank Ltd. and such other dealers as may be appointed in accordance with the Programme Agreement
<i>“Deed of Covenant”</i>	:	The Deed of Covenant dated 14 August 2015 executed by the Issuer by way of deed poll in relation to the Notes (which are represented by Global Notes or Global Certificates and which are deposited with the Depository), as supplemented by a supplemental deed of covenant dated 5 March 2018 executed by the Issuer by way of deed poll, and as further amended, varied or supplemented from time to time
<i>“Government”</i>	:	The Government of Singapore
<i>“Income Tax Act” or “ITA”</i>	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
<i>“Issuer” or “LTA”</i>	:	Land Transport Authority of Singapore
<i>“LTA Act”</i>	:	Land Transport Authority of Singapore Act, Chapter 158A of Singapore, as amended or modified from time to time
<i>“MRT”</i>	:	Mass Rapid Transit
<i>“Notes”</i>	:	The Notes that may be issued by the Issuer under the Programme
<i>“Pricing Supplement”</i>	:	The pricing supplement to be issued relating to each Tranche or, as the case may be, Series of Notes
<i>“Principal Paying Agent”, “Transfer Agent” and</i>	:	DBS Bank Ltd.

DEFINITIONS

“Registrar”

“Programme Agreement” : The Programme Agreement dated 14 August 2015 made between LTA, the Arranger and DBS Bank Ltd. as the Dealer in relation to the Programme, as amended and restated by an amendment and restatement programme agreement dated 5 March 2018 made between the same parties, and as further amended, restated or supplemented from time to time

“RTS” : Rapid transit system

“Securities Account” : A securities account maintained by a depositor of securities with CDP (but does not include securities sub-accounts)

“Securities Act” : U.S. Securities Act of 1933 , as amended

“Series” : (1) (In relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, interest commencement dates, issue prices and/or the dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest

“SFA” : Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time

“SGX-ST” : Singapore Exchange Securities Trading Limited

“Singapore” : Republic of Singapore

“Tranche” : Notes which are identical in all respects (including as to listing)

“Trust Deed” : The Trust Deed dated 14 August 2015 made between LTA and DBS Trustee Limited, as trustee, as amended and restated by an amendment and restatement trust deed dated 5 March 2018 made between the same parties, and as further amended, restated or supplemented from time to time

“Trustee” : DBS Trustee Limited

“U.S.” or “United States” : United States of America

“km” : Kilometres

“\$” or “S\$” : Singapore dollars

“%” or “per cent.” : Per centum or percentage

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations. Any reference to a time or day in this Information Memorandum shall be a reference to Singapore time or day respectively, unless otherwise stated.

CORPORATE INFORMATION

Issuer	:	Land Transport Authority of Singapore
Registered Office	:	1 Hampshire Road Singapore 219428
The Board	:	Mr Chan Heng Loon Alan Mr Lim Cherng Yih Richard Mr Ngien Hoon Ping Mr Wong Yew Meng Mr Arthur Lang Tao Yih Mr Tan Peng Yam Mr Michael Chin Yong Kok Mr Richard Hoo Eng Jek Mr Tan Kiat How Mr Mohd Sa'at Bin Abdul Rahman Professor Tan Thiam Soon Ms Chan Su-Min, Fiona Mr Tong Chun Fai, Edwin Charles Mr Melvin Yong Yik Chye Mr Cheong Chee Hoo
Auditors to the Issuer for the financial year ended 31 March 2017	:	PricewaterhouseCoopers LLP 7 Straits View Marina One, East Tower, Level 12 Singapore 018936
Arranger and Dealer	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42, Marina Bay Financial Centre Tower 3, Singapore 018982
Legal Advisers to the Issuer	:	Allen & Gledhill LLP One Marina Boulevard, #28-00 Singapore 018989
Legal Advisers to the Arranger	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Trustee, Principal Paying Agent, Transfer Agent and Registrar	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Trustee	:	DBS Trustee Limited 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982
Principal Paying Agent, Transfer Agent and Registrar for the Notes	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from and is qualified in its entirety by, this Information Memorandum (and any relevant supplement or amendment to this Information Memorandum) and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement, the Trust Deed and the Agency Agreement. Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in this summary.

A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed upon by and between the Issuer and the Relevant Dealer(s) prior to the issue of the Notes and will be set forth in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described below.

Issuer	Land Transport Authority of Singapore.
Arranger	DBS Bank Ltd.
Dealer(s)	DBS Bank Ltd. and/or such other Dealer or Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	DBS Trustee Limited.
Principal Paying Agent, Transfer Agent and Registrar	DBS Bank Ltd.
Relevant Calculation Agent	To be appointed in respect of each Series of Notes where required.
Agents	The Principal Paying Agent, the Transfer Agent, the Registrar and the Relevant Calculation Agent, or any of them, and shall include any other agent or agents as may be appointed from time to time under the Agency Agreement.
Description	Multicurrency Medium Term Note Programme.
Programme Size	Up to an aggregate principal amount of Notes outstanding at any one time of S\$12,000,000,000 (or its equivalent in other currencies) (the “ Programme Limit ”). The Issuer may increase the amount of the Programme Limit in accordance with the terms of the Programme Agreement.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars, U.S. dollars, Euros, Hong Kong dollars or any other currency agreed between the Issuer and the Relevant Dealer(s).
Use of Proceeds	The Issuer intends to use the proceeds from the issue of the Notes to finance the Issuer’s land transport infrastructure development projects, and/or such other purposes as may be specified in the relevant Pricing Supplement.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant pricing supplement (the “ Pricing Supplement ”).

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Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Maturity	Subject to compliance with all relevant laws, regulations and directives, Notes shall have maturities of such tenor as may be agreed between the Issuer and the Relevant Dealer(s).
Interest Basis	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the Relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement and at maturity.
Floating Rate Notes	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S\$ SIBOR or S\$ Swap Offer Rate (or in any other case such other benchmark as may be agreed between the Issuer and the Relevant Dealer(s) prior to their issue). Floating Rate Notes which are denominated in other currencies will bear interest determined separately for each Series as set out in the Terms and Conditions of the Notes and the relevant Pricing Supplement.
Variable Rate Notes	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Terms and Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the Relevant Dealer(s) prior to their issue.
Hybrid Notes	Hybrid Notes will bear interest during the fixed rate period, to be agreed between the Issuer and the Relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the Relevant Dealer(s), at the rate of interest to be determined by reference to S\$ SIBOR or S\$ Swap Offer Rate (or such other benchmark as may be agreed between the Issuer and the Relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the Relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the Relevant Dealer(s) and as set out in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Mandatory Redemption	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its Redemption Amount on the maturity date shown on its face.
Optional Redemption and	The Pricing Supplement issued in respect of each issue of

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Purchase	Notes will state whether such Notes may be redeemed or purchased prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders of the Notes, and if so the terms applicable to such redemption.
Purchase Upon Amendment to Land Transport Authority of Singapore Act.....	If, as a result of any amendment to the LTA Act or any other statute, the Issuer ceases to be a statutory board or a body established by written law to discharge functions of a public nature or the Notes cease to be the obligations of the Issuer and any such event would materially and adversely affect the interests of the Noteholders, the Issuer shall, at the option of the holder of any Note, purchase such Note at its Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount, together with interest accrued to (but excluding) the date fixed for purchase, which shall be the date falling 30 days from the date of exercise by the Noteholder of such option.
Redemption for Taxation Reasons	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders and the Principal Paying Agent in accordance with Condition 14 of the Notes (<i>Notices</i>) (which notice shall be irrevocable), at its Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption, if, immediately before giving such notice: (i) the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 7 (<i>Taxation</i>), or increase the payment of such Additional Amounts, as a result of any change in, or amendment to, the laws or regulations (including any rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including any rulings or other administrative pronouncements promulgated thereunder), which change or amendment becomes effective on or after the Programme Establishment Date (as defined in the Trust Deed); and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts if a payment in respect of the Notes were then due.
Status of the Notes	The Notes and Coupons constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank <i>pari passu</i> among themselves and at least <i>pari passu</i> in right of payment with all other present

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and future unsecured indebtedness and monetary obligations of the Issuer, save for such exceptions as may be provided by applicable legislation.

Events of Default Certain events will permit acceleration of the principal of the Notes (together with all interest and any additional amounts accrued and unpaid thereon). These events are set out in Condition 9 (*Events of Default*) of the Notes and include default with respect to the payment of principal of, premium, if any, or interest on, the Notes.

Listing..... Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. There is no assurance that an application to the SGX-ST for the listing of the Notes of any Series will be approved. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in any other currency).

The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the Relevant Dealer(s) in relation to each Series. Unlisted Notes may also be issued under the Programme. The relevant Pricing Supplement will state whether or not the Notes of a Series will be listed on any exchange(s) and, if so, on which exchange(s) the Notes are to be listed.

Form and Denomination of Notes The Notes may be issued in bearer or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s).

Each Tranche or Series of Bearer Notes may initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, may be deposited on the relevant issue date with CDP and/or any other agreed clearing system. Each Temporary Global Note will be exchangeable, either for a Permanent Global Note or Definitive Bearer Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note will be exchangeable, unless otherwise specified in the applicable Pricing Supplement, only in the limited circumstances described therein, in whole but not in part for Definitive 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 and/or any other agreed clearing system, as appropriate.

Each Series of Registered Notes will, unless otherwise specified in the applicable Pricing Supplement, be represented by a Global Certificate, which may be registered in the name of, or in the name of a nominee of, CDP and/or any other agreed clearing system. Each Global Certificate will be exchangeable for Certificates only in the limited circumstances more fully described therein.

Bearer Notes will not be exchangeable for Registered Notes,

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and Registered Notes will not be exchangeable for Bearer Notes.

Taxation	All payments of principal, premium, if any and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within Singapore (or any political subdivision or any authority thereof or therein having power to tax) or any jurisdiction (including Singapore) through which payments are made (or any political subdivision or any authority thereof or therein having power to tax), unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders or (if applicable) Couponholder of such amounts as would have been received by them if no such withholding or deduction had been required, save for certain exceptions. For further details, please see the section "Taxation" herein.
Clearing Systems.....	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes may also be cleared in such other clearing system as may be agreed between the Issuer, the Trustee and the Relevant Dealer(s). Notes which are to be cleared through such other clearing system as may be agreed between the Issuer, the Trustee and the Relevant Dealer(s) may be required to be kept with a sub-custodian of any other agreed clearing system.
Selling Restrictions	The offer and sale of Notes and the delivery of the Information Memorandum is restricted in certain jurisdictions. See "Subscription and Sale" and any additional selling and transfer restrictions set out in the relevant Pricing Supplement.
Governing Law.....	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes to be issued by the Issuer, which, as supplemented by the applicable Pricing Supplement or otherwise amended and completed, and except for the text in italics, will be endorsed on, as the case may be, each Definitive Bearer Note or Certificate (if issued). If the Pricing Supplement for any Notes specify terms and conditions other than those set out below, the terms and conditions so specified shall, to the extent so specified or to the extent inconsistent with the following terms and conditions, replace or modify the following terms and conditions for the purposes of such Notes. 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.

This note is one of a series of notes (the "**Notes**", which expression includes any further notes issued pursuant to Condition 13 (*Further Issues*) and forming a single series therewith) of the Land Transport Authority of Singapore (the "**Issuer**"). References herein to the "**Notes**" shall be references to the Notes of this Series (as defined below) only. The Notes are (a) constituted by and subject to, and have the benefit of, a trust deed dated 14 August 2015 between the Issuer and DBS Trustee Limited (the "**Trustee**", which expression includes all persons for the time being appointed as trustee for the holders of the Notes under the Trust Deed), as trustee for the Noteholders (as defined below) (as amended and restated by the amendment and restatement trust deed dated 5 March 2018 made between the same parties and as further amended or supplemented from time to time, the "**Trust Deed**") and (b) the subject of an agency agreement dated 14 August 2015 between the Issuer, the Trustee and DBS Bank Ltd. as principal paying agent, transfer agent and registrar (the "**Principal Paying Agent**", the "**Transfer Agent**" and the "**Registrar**", respectively) (as amended and restated by the amendment and restatement agency agreement dated 5 March 2018 made between the same parties and as further amended or supplemented from time to time, the "**Agency Agreement**").

Certain provisions of these terms and conditions (the "**Conditions**") are summaries of the Trust Deed, the Agency Agreement and applicable Pricing Supplement and are subject to their detailed provisions. The Noteholders are bound by, and are deemed to have notice of all the provisions of the Trust Deed, the Agency Agreement and Pricing Supplement applicable to them. Copies of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement are available for inspection during normal business hours at the Specified Offices (as defined in the Agency Agreement) of the Principal Paying Agent and any other Paying Agent (as defined in the Trust Deed). Copies are also available for inspection during normal business hours at the registered office for the time being of the Trustee.

The Pricing Supplement for this Note is attached hereto or endorsed hereon and supplements these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References herein to the "**applicable Pricing Supplement**" are to the Pricing Supplement attached hereto or endorsed hereon.

As used herein, "**Series**" means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates, Issue Prices and/or the dates of the first payment of interest and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective Issue Prices and Rates of Interest. As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing).

1. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

The Notes are issued either in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**").

This Note may be a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis specified hereon.

TERMS AND CONDITIONS OF THE NOTES

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, other than 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.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c) (*Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes*), each Certificate shall represent the entire holding of Registered Notes by the same holder.

The Notes will be issued in the denominations as specified hereon (a "**Specified Denomination**").

(b) Title

Title to the Bearer Notes and the Coupons and Talons appertaining thereto 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, 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 or the person in whose name a Registered Note is for the time being registered in the Register (or, in the case of joint holders, the first named thereof) and "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (or, in the case of joint holders, the first named thereof), 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 CDP or (ii) a Global Certificate and such Global Certificate is issued in the name of CDP or its nominee, 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 Principal Paying Agent, the Transfer Agent, the Registrar, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, redemption, purchase and/or 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 Principal Paying Agent, the Transfer 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 CDP.

2. TRANSFERS OF NOTES

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes may not be exchanged for Registered Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

TERMS AND CONDITIONS OF THE NOTES

(b) Transfer of Registered Notes

Each Registered Note may, subject to the terms of the Agency Agreement and to Conditions 2(d) (*Formalities Free of Charge*), 2(e) (*Closed Periods*) and 2(g) (*Regulations Concerning Transfer and Registration*), be transferred in whole or in part in a Specified Denomination by lodging the relevant Certificate (with the endorsed form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the Specified Office of the Registrar or any Transfer Agent. A Registered Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Registered Note will be valid unless and until entered on the Register.

The Registrar will within five Business Days (as defined below) of any duly made application for the transfer of a Registered Note, register the transfer and deliver a new Certificate to the transferee (and, in the case of a transfer of part only of a Registered Note, deliver a Certificate for the untransferred balance to the transferor), at the Specified Office of the Registrar, or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Certificate by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes

In the case of an exercise of any option by the Issuer or any Noteholder in respect of, or a partial redemption or purchase 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 or purchased. 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 Principal Paying Agent or any other 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.

(d) Formalities Free of Charge

Each transfer pursuant to Condition 2(b) (*Transfer of Registered Notes*) and each exchange pursuant to Condition 2(c) (*Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes*) will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar and the Trustee.

(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 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) (*Redemption at the Option of the Issuer*), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined below).

(f) Business Day

In these Conditions, “**Business Day**” means a day which is:

TERMS AND CONDITIONS OF THE NOTES

- (i) for any purpose other than with respect to payments, a day (other than a Saturday, Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore and in the city in which the Principal Paying Agent's or any other relevant Agent's Specified Office is located; or
- (ii) if a payment is to be made on that day (A) in relation to any sum payable in Singapore dollars, a day (other than Saturday, Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore, (B) in relation to any sum payable in a Specified Currency other than Singapore dollars and euro, a day (other than Saturday, Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency, or (C) in relation any sum payable in euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET 2) System, or any successor system thereto, (the "**TARGET System**") is open.

*For so long as any of the Notes is represented by a Global Note and such Global Note is held by CDP, or a Global Certificate and such Global Certificate is issued in the name of CDP or its nominee, "**Business Day**" shall also include, in addition to the definitions in (i) and (ii) above, a day (other than a Saturday, Sunday or a gazetted public holiday) on which CDP is operating.*

(g) Regulations Concerning Transfer and Registration

All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer to reflect changes in legal requirements or in any other manner which is not prejudicial to the interests of Noteholders with the prior approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

(h) Specified Denominations

No Registered Note may be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount of the balance of the Notes not transferred are Specified Denominations.

3. STATUS

The Notes and Coupons constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* in right of payment with all other present and future unsecured indebtedness and monetary obligations of the Issuer, save for such exceptions as may be provided by applicable legislation.

4. INTEREST

(a) Interest on Fixed Rate Notes

- (i) Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Specified Interest Payment Date(s) in each year specified hereon (each, an "**Interest Payment Date**") and on the

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Maturity Date shown on the face of the Note if that date does not fall on an Interest Payment Date.

- (ii) Except as provided hereon, the amount of interest payable on each Interest Payment Date in respect of the Fixed Rate Interest Period shown on the face of such Note ending on (but excluding) such date will amount to the Fixed Coupon Amount. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount shown on the face of such Note.
- (iii) In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency (with halves rounded up).

For the purposes of these Conditions, “**Fixed Rate 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.

(b) Interest on Floating Rate Notes and Variable Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note and Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each, an “**Interest Payment Date**”) in each year specified hereon; or
- (B) if no Specified Interest Payment Date(s) is/are specified hereon, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls on the date following the number of months or other period specified as the Interest Period in the applicable Pricing Supplement 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)(iii)(A)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or, in the case of the first Interest Payment Date, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month on which an Interest Payment Date should occur or (y) if any Interest Payment Date would

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otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Interest Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Business Day Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (bb) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (aa) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (bb) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Interest Period after the preceding applicable Interest Payment Date occurred;
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day;
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(ii) **Rate of Interest—Floating Rate Notes**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined by reference to a Benchmark as stated, and in the manner specified, in the applicable Pricing Supplement. The Calculation Agent will determine the applicable Rate of Interest on the basis of the following provisions, or as otherwise specified in the applicable Pricing Supplement.

Where a Floating Rate Note is denominated in Singapore dollars and the Benchmark specified is SIBOR, such Note will be a SIBOR Note, and where a Floating Rate Note is denominated in Singapore dollars and the Benchmark specified is Swap Rate, such Note will be a Swap Rate Note.

(A) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest 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 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the “**ISDA Definitions**”), and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is a period as specified in the applicable Pricing Supplement; and

TERMS AND CONDITIONS OF THE NOTES

- (3) the relevant Reset Date is the first day of that Interest Period unless otherwise specified in the applicable Pricing Supplement.

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 that are not SIBOR Notes or Swap Rate Notes

- (I) 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 Period will, subject as provided below, be either:

- (x) the offered quotation; or
- (y) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of the London interbank offered rate (“**LIBOR**”), or Brussels time, in the case of the Euro-zone interbank offered rate (“**EURIBOR**”)) on the Interest Determination Date in question (or such other time in any Relevant Financial Centre as may be specified in the applicable Pricing Supplement) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all 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 quotation) and the lowest (or, if there is more than one such lowest quotation, one only of such quotation) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

- (II) if the Relevant Screen Page is not available or if, sub-paragraph (I)(x) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (I)(y) 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 Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

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- (III) if paragraph (II) 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, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest shall be 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 interbank market or, if the Benchmark is EURIBOR, the Euro-zone interbank market, as the case may be, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); 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 Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period); and
 - (IV) if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.
- (C) Screen Rate Determination for SIBOR Notes or Swap Rate Notes
 - (I) In the case of a SIBOR Note:
 - (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 Page ABSI on the monitor of the Bloomberg agency under the caption "Swap Offer and SIBOR (ABSIRFIX)" and under the column headed "SGD SIBOR" (or such other

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replacement page thereof or such other Relevant Screen Page as may be provided hereon) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

- (bb) if on any Interest Determination Date, no such rate appears on the Page ABSI (or such other replacement page thereof), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);
- (cc) if 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 inter-bank 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 four decimal places) of such offered quotations, as determined by the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);
- (dd) 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 (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 which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

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- (II) In the case of a Swap Rate Note:
- (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 rate which appears on the Page ABSI on the monitor of the Bloomberg agency under the caption “Swap Offer and SIBOR (ABSIRFIX)” under the column headed “SGD SWAP OFFER” (or such other page as may replace Page ABSI for the purpose of displaying the swap rates of leading reference banks or such other Relevant Screen Page as may be provided hereon) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);
 - (bb) if on any Interest Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon), the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be 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 or such other Relevant Screen Page as may be provided hereon) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);
 - (cc) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page thereof or such other Relevant Screen Page as may be provided hereon) or if the Reuters Screen ABSFIX01 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 Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select and plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and
 - (dd) if on any Interest Determination Date, the Calculation Agent is otherwise unable to determine the Rate of Interest under (aa), (bb) or (cc) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if

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necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank 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 four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

(D) Negative Interest Rate

For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(iii) **Rate of Interest—Variable Rate Notes**

- (A) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this Condition 4(b)(iii). 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 these 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 (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

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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 (as defined below) for such Interest Period.
- (C) The Issuer has undertaken to the Principal 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, or cause the Relevant Dealer to notify, the Principal 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 Principal 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 Swap Rate (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 set out in the applicable Pricing Supplement for such Variable Rate Note(s), in each case plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).
- (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(b)(ii)(C) above (*mutatis mutandis*) and references therein to “Rate of Interest” shall mean “Fall Back Rate”.

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- (F) 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.
- (G) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Interest on Hybrid Notes

(i) Interest Rate and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from (and including) the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(ii) Fixed Rate Period

- (A) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum equal to the Rate of Interest shown on the face of such Note payable in arrear on the Specified Interest Payment Date(s) in each year specified hereon (each, an “**Interest Payment Date**”) and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.
- (B) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (C) During the Fixed Rate Period, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount for any Fixed Rate Period shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency (with halves rounded up).

(iii) Floating Rate Period

- (A) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date (each an “**Interest Payment Date**”). Such Interest Payment Date(s) is/are either specified hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are specified hereon, Interest Payment Date shall mean each date which falls on the date following the number of months or other period specified as the

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Interest Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month on which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) the Floating Rate Business Day Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (bb) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (aa) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (bb) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Interest Period after the preceding applicable Interest Payment Date occurred;
 - (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day;
 - (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
 - (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.
- (B) The period from (and including) the first day of the Floating Rate Period to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date is herein called an “Interest Period”.
- (C) The provisions of Condition 4(b)(ii) (*Rate of Interest—Floating Rate Notes*) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(d) Zero Coupon Notes

In the case of Zero Coupon Notes, references to the amount of interest payable (other than as provided below), Coupons and Talons in these Conditions are not applicable. Where a Zero Coupon Note becomes repayable prior to its Maturity Date and is not paid when due, the amount due and payable in respect of such Note shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(h)). Where a Zero Coupon Note is to be redeemed on its Maturity Date, any overdue principal in respect of such Note shall bear interest at a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified on such Note (as defined in Condition 5(h)).

(e) Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined on each Floating Rate Note, Variable Rate Note or Hybrid Note, determine the Rate of Interest for the relevant Interest Period and the relevant Interest

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Payment Date. The Calculation Agent will also calculate the amount of interest (the “**Interest Amount**”) payable on each Floating Rate Note, Variable Rate Note or Hybrid Note for the relevant Interest Period. The Interest Amounts shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency.

(f) **Notification of Rate of Interest and Interest Amount**

The Calculation Agent shall notify the Trustee, the Principal Paying Agent and the Issuer of the Rate of Interest for the relevant Interest Period, the Interest Amount and the relevant Interest Payment Date as soon as practicable after determining the same but in any event not later than four business days after each Interest Determination Date. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or competent listing authority on or by which the relevant Floating Rate Notes, Variable Rate Notes or Hybrid Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*).

(g) **Cessation of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in Condition 4(a), 4(b)(ii), 4(c)(ii) or, as the case may be, 4(c)(iii) to (but excluding) the Relevant Date (as defined in Condition 7).

(h) **Default Interest**

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid (as well after as before judgment) from such due date up to the earlier of (i) the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment) in accordance with Condition 14 (*Notices*). Such interest shall be at a rate per annum equal to (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Rate of Interest applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

(i) **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

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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 Period or to calculate any Interest Amount, 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.

(j) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with Condition 4 (*Interest*) for any period of time (from and including the first day of such period to but excluding the last day of such period) (whether or not constituting an Interest Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual (ICMA)”** is specified in the applicable Pricing Supplement:
 - (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 (1) the number of days in such Determination Period and (2) 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:
 - (1) the number of days in such Calculation Period falling in the Determination Period in which it begins 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
 - (2) the number of days in such Calculation Period falling in the next Determination 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,

where:

“Determination Date” means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date(s); and

“Determination Period” means the period from (and including) a Determination Date in any year to (but excluding) the next Determination Date;

- (ii) if **“Actual/Actual”** or **“Actual/Actual (ISDA)”** is specified in the applicable Pricing Supplement, 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);

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- (iii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, 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;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, 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

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“**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;

- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, 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;

- (viii) such other day count fraction as specified in the applicable Pricing Supplement;

“**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 comprising member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon;

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Period, the date specified as such 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;

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“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 Financial Centre” means the financial centre specified hereon or, if none is so specified, Singapore;

“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 a.m. 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; and

“sub-unit” means, with respect to any currency the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

5. REDEMPTION AND PURCHASE

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified hereon (in the case of a Note other than a Floating Rate Note, Variable Rate Note or a Hybrid Note (during the Floating Rate Period)) or on the Interest Payment Date falling in the Redemption Month specified hereon (in the case of a Floating Rate Note, Variable Rate Note or a Hybrid Note (during the Floating Rate Period)), subject as provided in Condition 6 (*Payments*).

(b) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders and the Principal Paying Agent in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable) at its Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption, if, immediately before giving such notice:

- (i) the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 7 (*Taxation*), or increase the payment of such Additional Amounts, as a result of any change in, or amendment to, the laws or regulations (including any rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including any rulings or other administrative pronouncements promulgated thereunder), which change or amendment becomes effective on or after the Programme Establishment Date (as defined in the Trust Deed); and

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- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee (x) a certificate signed by a duly authorised officer of the Issuer stating that the obligation referred to in (ii) above cannot be avoided by the Issuer taking reasonable measures available to it, and (y) an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such Additional Amounts as a result of such change or amendment, and the Trustee shall be entitled to rely on and accept such certificate and opinion as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 5(b) (*Redemption for Taxation Reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b) (*Redemption for Taxation Reasons*).

(c) **Purchase upon Amendment to Land Transport Authority of Singapore Act**

If, as a result of any amendment to the Land Transport Authority of Singapore Act, Chapter 158A of Singapore or any other statute, the Issuer ceases to be a statutory board or a body established by written law to discharge functions of a public nature or the Notes cease to be the obligations of the Issuer and any such event would materially and adversely affect the interests of the Noteholders, the Issuer shall, at the option of the holder of any Note, purchase such Note at its Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount, together with interest accrued to (but excluding) the date fixed for purchase (the “**Optional Purchase Date**”), which shall be the date falling 30 days from the date of exercise by the Noteholder of such option.

The Issuer shall give prompt notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this Condition 5(c) in accordance with Condition 14 (*Notices*). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons, if any) with the Principal Paying Agent or any other Paying Agent at its specified office 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 an exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent (as applicable) not later than 10 Business Days after the date of such Issuer's notice (or such longer period, not exceeding 30 Business Days, as the Issuer may notify to the Noteholders in such Issuer's notice). Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

The Notes so purchased may be held or resold or surrendered for cancellation at the option of the Issuer or otherwise, as the case may be, in compliance with Condition 5(i) (*Cancellation of Notes*) below. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meeting of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 11(a) (*Meetings of Noteholders*).

If this Note is represented by a Global Note or, as the case may be, a Global Certificate, to exercise the right to require purchase of this Note the holder of this Note must, within the relevant period, give notice to the relevant Paying Agent of such exercise in accordance with the standard procedures of CDP (which may include notice being given on his instruction by CDP to the Principal Paying Agent by electronic means) in a form acceptable

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to CDP from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the relevant Paying Agent for notation accordingly.

(d) Redemption at the Option of the Issuer

If the Issuer is specified in the applicable Pricing Supplement as having an option to redeem the Notes, the Issuer may, at any time during the Redemption Option Period shown on the face hereof, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem the Notes on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount or a Maximum Redemption Amount, in each case as indicated in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the certificate numbers of the Bearer Notes or, in the case of Registered Notes, the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption. The Notes shall be selected for redemption in such place as the Trustee may approve and in such manner as it deems appropriate, subject to all applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(e) Redemption at the Option of the Noteholders

If the Noteholders are specified in the applicable Pricing Supplement as having an option to redeem, the Issuer will, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must deposit (in the case of Bearer Notes) such Note (together with all unexpired Coupons and unexchanged Talons, if any) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office on a Business Day that is not less than five nor more than 10 days prior to the Optional Redemption Date falling within the Redemption Option Period specified in the relevant Pricing Supplement, together with a duly completed and signed redemption notice (a "**Put Notice**") in the form obtainable from the Specified Office of the Principal Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the relevant Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or, as the case may be, a Global Certificate, to exercise the right to require redemption of this Note the holder of this Note must, within the relevant period, give notice to the relevant Paying Agent of such exercise in accordance with the standard procedures of CDP (which may include notice being given on his instruction by CDP to the Principal Paying Agent by electronic means) in a form acceptable to CDP from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the relevant Paying Agent for notation accordingly.

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(f) Purchase at the Option of the Noteholders

- (i) Each Noteholder 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, a Noteholder shall deposit (in the case of Bearer Notes) any Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed exercise notice in the form obtainable from the Principal Paying Agent, any Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period specified in the applicable Pricing Supplement. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9 (*Events of Default*), 10 (*Enforcement*) and 11 (*Meetings of Noteholders, Modifications and Waivers*).
- (ii) If so specified in the applicable Pricing Supplement, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) any such Note to be purchased (together with all unmatured Coupons and unexchanged Talons, if any) with any Paying Agent at its Specified Office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any Transfer Agent at its Specified Office, in each case together with a duly completed exercise notice in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period specified in the applicable Pricing Supplement. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons, if any) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9 (*Events of Default*), 10 (*Enforcement*) and 11 (*Meetings of Noteholders, Modifications and Waivers*).

(g) Purchase

The Issuer or any of its Subsidiaries may at any time purchase or procure others to purchase for its account Notes (provided that they are purchased together with all unmatured Coupons and unexchanged Talons, if any, relating to them) in the open market or otherwise and at any price, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

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The Notes so purchased may be held or resold or surrendered for cancellation at the option of the Issuer or otherwise, as the case may be in compliance with Condition 5(j) (*Cancellation of Notes*) below. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meeting of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 11(a) (*Meetings of Noteholders*). Any purchase by tender shall be made available to all Noteholders alike.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption Amount for Zero Coupon Notes

- (i) The Early Redemption Amount in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(b) (*Redemption for Taxation Reasons*) or Condition 5(c) (*Purchase upon Amendment to Land Transport Authority of Singapore Act*) or upon its becoming due and payable as provided in Condition 9 (*Events of Default*), shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled 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.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption or purchase pursuant to Condition 5(b) (*Redemption for Taxation Reasons*) or Condition 5(c) (*Purchase upon Amendment to Land Transport Authority of Singapore Act*), or the Early Redemption Amount payable in respect of such Note upon its becoming due and payable as provided in Condition 9 (*Events of Default*), in each case is not paid when due, the Early Redemption Amount in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) 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 will continue to be made (as well after as before 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 calculated based on the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(d) (*Zero Coupon Notes*).

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 on the face of the Note.

(i) Cancellation of Notes

All Notes together with all unmatured Coupons and unexchanged Talons, if any, which are redeemed pursuant to Conditions 5(b) (*Redemption for Taxation Reasons*), Condition 5(d) (*Redemption at the Option of the Issuer*) and Condition 5(e) (*Redemption at the Option of the Noteholders*) or submitted for cancellation pursuant to Condition 5(c) (*Purchase upon Amendment to Land Transport Authority of Singapore Act*), Condition 5(f) (*Purchase at the Option of the Noteholders*) or Condition 5(g) (*Purchase*) will be cancelled and may not be reissued or resold.

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6. PAYMENTS

(a) Bearer Notes

(i) Principal and Interest

Payment of principal and interest in respect of each Bearer Note will, subject as mentioned below, be made against presentation and surrender of the relevant Bearer Note or Coupon, as the case may be, at the Specified Office of the Principal Paying Agent:

- (A) in respect of payments denominated in U.S. dollars, at the option of the holder, either by a U.S. dollar cheque drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank outside the United States of America;
- (B) in respect of payments denominated in euro, at the option of the holder, either by a euro cheque drawn on, or by transfer to a euro account maintained by the payee with, a bank in the principal financial centre of any member state of the European Union;
- (C) in respect of payments denominated in a Specified Currency other than U.S. dollars or euro, at the option of the holder, either by a cheque denominated in such Specified Currency drawn on, or by transfer to an account in such Specified Currency maintained by the payee with, a bank in the Relevant Financial Centre of such Specified Currency; or
- (D) as may otherwise be specified on such Note.

(ii) Unmatured Coupons and Unexchanged Talons

- (A) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the relevant amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8 (*Prescription*)).
- (B) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmaturing Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (C) Upon the due date for redemption of any 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.
- (D) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmaturing Coupons relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption of such Note shall be

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made only against the provision of such indemnity as the Issuer may require.

- (E) If the due date for redemption or repayment 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 Note.

(iii) **Talons**

If specified hereon, on or after the Interest Payment Date for the final Coupon forming part of the Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent on any business day in exchange for a further Coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 8 (*Prescription*)) and, if necessary, another Talon for a further Coupon sheet.

(b) **Registered Notes**

(i) ***Principal and Interest***

Payment of principal and interest in respect of each Registered Note will be made to the person shown in the Register at the close of business on the Record Date (as defined below) and, in the case of payment of principal, subject to the surrender (or, in the case of part payment only, endorsement) of the relevant Certificate at the Specified Office of the Registrar or of any Paying Agent:

- (A) in respect of payments denominated in euro, at the option of the holder, either by a euro cheque drawn on, or by transfer to a euro account maintained by the payee with, a bank in the principal financial centre of any member state of the European Union;
- (B) in respect of payments denominated in a Specified Currency other than euro, at the option of the holder, either by a cheque denominated in such Specified Currency drawn on, or by transfer to an account in such Specified Currency maintained by the payee with, a bank in the Relevant Financial Centre of such Specified Currency; or
- (C) as may otherwise be specified on such Note.

All such cheques shall be mailed to the holder of the relevant Note at his address appearing in the Register. However, upon application by the holder to the Specified Office of the Registrar or any Paying Agent not less than 15 days before the due date for any payment in respect of a Note, such payment may be made by transfer to, in respect of payments denominated in euro, a euro account maintained by the payee with a bank in the principal financial centre of any member state of the European Union, or in respect of payments denominated in a Specified Currency other than euro, an account in such Specified Currency maintained by the payee with a bank in the Relevant Financial Centre of such Specified Currency.

(ii) ***Record Date***

"Record Date" means the fifteenth day before the due date for the relevant payment.

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(iii) **Payments**

Where payment is to be made by cheque, the cheque will be mailed, on the business day preceding the due date for payment or, in the case of payments of principal, if later, on the business day on which the relevant Certificate is surrendered (or endorsed as the case may be) as specified in Condition 6(b)(i) (*Principal and Interest (Registered Notes)*) at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder.

Where payment is to be made by transfer to a bank account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated, in the case of principal, on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) and, in the case of interest and other amounts on the due date for payment.

(c) **Agents**

The names of the initial Principal Paying Agent, the Transfer Agent and the Registrar and their Specified Offices are set out below. The Issuer reserves the right under the Agency Agreement at any time by giving to the Principal Paying Agent and any other agent concerned at least 60 days' prior written notice, which notice shall expire at least 30 days before or after any due date for payment in respect of the Notes, to vary or terminate the appointment of or remove any Paying Agent, Transfer Agent or Registrar and to appoint successor or additional Paying Agents, Transfer Agents or Registrars, provided that it will at all times maintain:

- (i) a Principal Paying Agent and a Transfer Agent;
- (ii) one or more Calculation Agents where the Conditions so require;
- (iii) for so long as any of the Notes is listed on the SGX-ST and the rules of the SGX-ST so require, a Paying Agent and a Transfer Agent with a Specified Office in Singapore; and
- (iv) a Registrar in relation to Registered Notes.

Notice of any such removal or appointment and of any change in the Specified Office of any Paying Agent, Transfer Agent or Registrar will be given to Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable.

(d) **Payments subject to Fiscal Laws**

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(e) **Delay in Payment**

Noteholders will not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for payment not being a business day or (ii) a cheque mailed in accordance with this Condition 6 (*Payments*) arriving after the due date for payment or being lost in the mail.

(f) **Payment Day**

If the date for payment of any amount in respect of any Note is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day in the

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relevant place and shall not be entitled to further interest or other payment in respect of such delay.

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any Additional Amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (ii) the Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in part, the Minimum Redemption Amount and the Maximum Redemption Amount;
- (vi) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vii) in relation to Zero Coupon Notes, the Early Redemption Amount (as defined in Condition 5(h)); and
- (viii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 7 (*Taxation*).

7. TAXATION

All payments of principal, premium, if any and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within Singapore (or any political subdivision or any authority thereof or therein having power to tax) (the “**Relevant Taxing Jurisdiction**”) or any jurisdiction (including Singapore) through which payments are made (or any political subdivision or any authority thereof or therein having power to tax) (together with each Relevant Taxing Jurisdiction, as applicable, a “**Relevant Jurisdiction**”), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the “**Additional Amounts**”) as will result in the receipt by the Noteholders or (if applicable) Couponholder of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such Additional Amounts shall be payable in respect of any Note or (if applicable) Coupon:

(a) Bearer Notes

In the case of Bearer Notes or Coupons:

- (i) to or to a party on behalf of a holder where such holder is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with a Relevant Jurisdiction otherwise than by reason only of the holding of such Bearer Note or Coupon or the receipt of any sums due in respect of such Bearer Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, a Relevant Jurisdiction); or
- (ii) the relevant Bearer Note or Coupon is surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been

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entitled to such Additional Amounts on surrendering such Bearer Note or Coupon for payment on the last day of such period of 30 days; or

(b) Registered Notes

In the case of Registered Notes:

- (i) to or to a party on behalf of a holder where such holder is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with a Relevant Jurisdiction otherwise than by reason only of the holding of such Registered Note or the receipt of any sums due in respect of such Registered Note (including, without limitation, the holder being a resident of, or a permanent establishment in, a Relevant Jurisdiction); or
- (ii) if the relevant Certificate in respect of such Registered Note is required to be surrendered and is surrendered 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 surrendering such Certificate for payment on the last day of such period of 30 days.

"Relevant Date" means (i) the date on which such payment first becomes due or (ii) if the full amount payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which notice is given to the Noteholders that the full amount have been so received and available for payment or (if earlier) the date falling seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment). Any reference in these Conditions to references to **"principal"** shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 (*Redemption and Purchase*), **"interest"** shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 (*Interest*) and any reference to **"principal"** and/or **"premium"** and/or **"Redemption Amounts"** and/or **"interest"** and/or **"Early Redemption Amounts"** shall be deemed to include any Additional Amounts which may be payable under these Conditions.

8. PRESCRIPTION

Claims in respect of the Notes and the Coupons (which, for this purpose does not include Talons) will become void unless the relevant Note is surrendered for payment as required by Condition 6 (*Payments*) within a period of five years from the appropriate Relevant Date.

9. EVENTS OF DEFAULT

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Notes are and they shall immediately become due and repayable at its Redemption Amount or (in the case of Zero Coupon Note) Early Redemption Amount together, if appropriate, with accrued interest thereon, if any of the following events (each, an **"Event of Default"**) occurs and is continuing:

(a) Non payment

The Issuer fails to pay any amount of principal or premium, or Redemption Amount (whether becoming due and payable upon redemption or otherwise) or Early Redemption Amount (in the case of Zero Coupon Notes) in respect of the Notes on the due date for payment when the same becomes due and payable either at maturity, by declaration or otherwise; or the Issuer is in default with respect to the payment of interest or any Additional Amount payable in respect of any of the Notes

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and such default in respect of interest or Additional Amounts continues for a period of seven business days;

(b) Breach of other obligations

The Issuer defaults in the performance or observance of or compliance with any of its other obligations under the Notes or the Trust Deed and such default (i) is incapable of remedy or (ii) if capable of remedy, remains unremedied for 30 days after the Trustee has given written notice thereof, addressed to the Issuer;

(c) Cross Default

- (i) Any other present or future indebtedness (in an aggregate amount of not less than S\$30 million (or its equivalent in any other currency or currencies)) of the Issuer for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or
- (ii) the Issuer fails to pay when due any amount (in an aggregate amount of not less than S\$30 million (or its equivalent in any other currency or currencies)) payable by it under any present or future guarantee for any borrowed moneys;

(d) Security Enforced

Any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer over the whole or any substantial part of the undertaking, property, assets or revenues of the Issuer is enforced;

(e) Unenforceability

It is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, any of the Coupons or the Trust Deed;

(f) Invalidity

Any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into and perform and comply with its obligations under the Notes, any of the Coupons and/or the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes, any of the Coupons and the Trust Deed admissible in evidence in the courts of Singapore is not taken, fulfilled or done; or

(g) Moratorium

A moratorium is agreed or declared in respect of all or any material part of the indebtedness of the Issuer or the Government of Singapore or any court or other authority in Singapore takes any action for the distribution of the assets of the Issuer or any material part thereof among any creditors of the Issuer.

10. ENFORCEMENT

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice to the Issuer, the Noteholders or the Couponholders, take any steps as it may think fit to enforce repayment of the Notes, together with accrued interest, and to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed

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by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified or secured or pre-funded by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing. The Trustee shall not be deemed to be responsible for the consequences of taking or refraining from taking any such steps as set out in this Condition.

11. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVERS

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee or the Issuer, or by the Trustee (subject to its being indemnified, and/or secured and/or prefunded to its satisfaction against all costs and expenses) upon the request in writing of Noteholders holding not less than one quarter of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a clear majority of the aggregate principal amount of the Notes for the time being outstanding, or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the principal amount of the Notes for the time being outstanding so held or represented; provided, however, that certain proposals (including any proposal (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal 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 of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount of the Notes, (v) to vary the currency or currencies of payment or denomination of the Notes, (vi) 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, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify this proviso (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than three quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and the Couponholders (if any), whether present at the meeting(s) or not. For the avoidance of doubt, the Issuer is not bound by any modification to any of these Conditions unless the Issuer has agreed to such modification.

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 or Waiver without Noteholders’ consent

The Trustee may from time to time and at any time without any consent or sanction of the Noteholders or Couponholders agree with the Issuer to (i) any modification to the Trust Deed, the Notes or the Coupons if the Trustee is of the opinion that such modification is of a formal, minor, administrative or technical nature or made to correct a manifest error or an error which, in the opinion of the Trustee, (A) is proven or (B) to comply with mandatory provisions of Singapore law or (C) is required by any Stock Exchange, CDP, or by any depository and/or any clearing system in which the Notes may be held, and (ii) any other modification (except as mentioned in the Trust Deed), or any waiver or authorisation of any breach or proposed breach, of any provisions of the Trust Deed, the Notes or the Coupons

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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 the Noteholders and Couponholders and such modification, authorisation or waiver shall be notified by or on behalf of the Issuer to the Noteholders as soon as practicable thereafter in accordance with these Conditions.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver or authorisation), 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.

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.

12. REPLACEMENT NOTES, COUPONS AND TALONS

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Principal Paying Agent (in the case of Definitive Bearer Notes, Coupons and Talons) and at the specified office of the Registrar (in the case of Certificates), or such other Paying Agent or Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 14 (*Notices*), on payment by the claimant of the fees and costs (including the fees and costs of the Principal Paying Agent) incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talon must be surrendered before replacements will be issued.

13. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders and Couponholders and in accordance with the Trust Deed, create and issue further Notes having the same terms and conditions as the Notes of any Series in all respects (or in all respects except for the Issue Date, the Interest Commencement Date, the Issue Price and the first payment of interest) so as to be consolidated and form a single Series with the Notes, and references in these Conditions to “**Notes**” shall be construed accordingly. The Issuer may from time to time, with the consent of the Trustee, create and issue other Series of notes having the benefit of the Trust Deed.

14. NOTICES

Notices to Noteholders will be valid if published in a leading newspaper having general circulation in Singapore. If at any time publication in such newspapers is not practicable, notices will be valid if published in such manner as the Issuer shall, with the consent of the Trustee, determine. 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 publication is made. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 14 (*Notices*). Notwithstanding the above, notices to Noteholders of Registered Notes may also be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as any of the Notes are represented by a Global Note or Global Certificate, and such Global Note or Global Certificate is held by CDP, notices required to be published in accordance with Condition 14 (Notices) may (subject to the agreement of CDP) be given by delivery of the relevant notice to CDP for communication by it to the persons shown in the list of Noteholders provided by CDP, and any such notice shall be deemed to have been

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given to the Noteholders on the second day after the day on which the said notice was sent, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph.

15. TRUSTEE

(a) Indemnification

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or prefunded to its satisfaction and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its Subsidiaries.

(b) Exercise of power and discretion

In connection with the exercise of its functions 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, or the Noteholders or Couponholders in respect of Notes of any particular Tranche or Series, and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders.

(c) Confidentiality

Unless ordered to do so by a court of competent jurisdiction or unless required by the rules of the SGX-ST, the Trustee shall not be required to disclose to any Noteholder or Couponholder any confidential financial or other information made available to the Trustee by the Issuer.

(d) No Responsibility

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

(e) Reliance

The Trustee may rely without liability to Noteholders on any certificate or report prepared by any expert, auditor, lawyer, banker, valuer, surveyor, broker, auctioneer or professional entity, pursuant to these Conditions or the Trust Deed, whether or not addressed to the Trustee, and whether or not their liability in respect thereof is limited by a monetary cap or otherwise or all such liability is disclaimed.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

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

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17. GOVERNING LAW AND JURISDICTION

(a) Governing law

The Trust Deed, the Notes, and if applicable, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Submission to Jurisdiction

The Issuer has in the Trust Deed (i) submitted irrevocably to the exclusive jurisdiction of the courts of Singapore for the purposes of hearing and determining any suit, action or proceedings or settling any disputes arising out of or in connection with the Trust Deed, the Notes, and if applicable, the Coupons and the Talons; and (ii) waived any objection which it might have to such courts being nominated as the forum to hear and determine any such suit, action or proceedings or to settle any such disputes and agreed not to claim that any such court is not a convenient or appropriate forum.

RISK FACTORS

An investment in the Notes involves risks. Prospective investors or existing holders should carefully consider all of the information in this Information Memorandum and, in particular, the risks described below before deciding to invest in the Notes. The risks described below are not the only ones relevant to the Issuer and/or the Notes. Additional risks not presently known to the Issuer or that it currently deems immaterial may also materially and adversely impair the operations, financial condition or results of operations of the Issuer, which may, as a result, affect the Issuer's ability to fulfil its obligations under the Notes.

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

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Notes may require in investigating the Issuer and its subsidiaries, associated companies (if any) and joint venture companies (if any) prior to making an investment or divestment decision in relation to the Notes issued under the Programme

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or any such part thereof) should subscribe for or purchase or sell any of the Notes.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries, associated companies (if any) or joint venture companies (if any), the Arranger or any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer and its subsidiaries, associated companies (if any) and joint venture companies (if any), the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding whether to make an investment in the Notes.

The following describes some of the significant risks that could affect the Issuer and the value of the Notes. The risk factors set out below do not purport to be complete or comprehensive of all the investment considerations and risk factors that may be involved in the Issuer's operations, financial condition, results of operations or prospects or any decision to purchase, own or dispose of the Notes. Additional investment considerations and risk factors which the Issuer is currently unaware of may also impair the Issuer's operations, financial condition, results of operations or prospects. Additionally, some risks may be unknown to the Issuer and other risks, currently believed to be immaterial, could turn out to be material. All of these could materially adversely affect the Issuer's operations, financial condition, results of operations and prospects. In such cases, the Issuer's ability to comply with its obligations under the Trust Deed and the Notes may be adversely affected. Prospective investors or existing holders should also consider the information provided below in connection with the forward-looking statements in this Information Memorandum and the warning

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regarding forward-looking statements at the beginning of this Information Memorandum.

Risks Relating to the Notes

An investment in the Notes may not be a suitable investment for all investors

Each potential investor must determine the suitability of an investment in the Notes in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which its financial activities are principally denominated;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- understand thoroughly the nature of all relevant risks before making a decision to invest in the Notes; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Notes to be issued under the Programme may be complex financial instruments. Each potential investor should not invest in the Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact such investment will have on its overall investment portfolio.

The structure of a particular issuance of Notes may have features which contain particular risks for investors

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

Modification, waivers and substitution

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. 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 Conditions of the Notes also provide, *inter alia*, that the Trustee may, without the consent or sanction of the Noteholders or Couponholders, agree with the Issuer to any modification (except as mentioned in the Trust Deed), or any waiver or authorisation of any breach or proposed breach, of any provision of the Notes or the Coupons if the Trustee is of the opinion that such modification, waiver or authorisation is not materially prejudicial to the interests of Noteholders.

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Notes subject to optional redemption or repurchase

An optional redemption or optional repurchase feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem or repurchase Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed or repurchased. This also may be true prior to any redemption or repurchase period. The Issuer may be expected to redeem or repurchase Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, Noteholders generally would not be able to reinvest the redemption or repurchase proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed or repurchased and may only be able to do so at a significantly lower rate. Noteholders should consider reinvestment risk in light of other investments available at that time.

The Notes may be redeemed early for taxation reasons should there be any change in the taxation law or regulations after the date of the establishment of the Programme

The Issuer has the option to redeem the Notes early if the Issuer has, or will become obliged to pay additional amounts, or increase the payment of such additional amounts, in respect of the Notes, as a result of any change in, or amendment to, the laws or regulations (including any rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof having power to tax, or any change in the application or official interpretation of such laws or regulations (including any rulings or other administrative pronouncements promulgated thereunder), which change or amendment becomes effective on or after the date of establishment of the Programme, i.e. 14 August 2015.

Floating Rate Notes with a multiplier or other leverage factor

Notes with floating interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes where denominations involve integral multiples

In the case of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations. If Definitive Notes are issued, Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Interest rate risk

Noteholders may suffer unforeseen losses due to fluctuation in interest rates. Generally, a rise in interest rates may cause a fall in note prices, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, note prices may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

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Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Currency risk associated with Notes denominated in foreign currencies

The Issuer's financial activities are denominated principally in Singapore dollars. As the Notes can be denominated in currencies other than Singapore dollars, the Issuer may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Notes and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with such Notes denominated in foreign currencies.

Investors may receive less interest or principal than expected as a result of exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than such specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of such specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Notes are denominated would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. This risk is in addition to any performance risk that relates to the Issuer or the type of Note being issued.

The Notes are not secured

The Notes and Coupons of all Series constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* in right of payment with all other present and future unsecured indebtedness and monetary obligations of the Issuer, save for such exceptions as may be provided by applicable legislation.

Accordingly, on the winding-up of the Issuer at any time prior to maturity of any Notes, the Noteholders will not have recourse to any of the specific assets of the Issuer or any of its subsidiaries and/or associated companies (if any) and/or joint venture companies (if any) as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders, and there is no assurance that there would be sufficient value in the Issuer's assets after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons, as the case may be, owed to the Noteholders.

The Trustee may request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances, the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders. The Trustee is not obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. In addition, the Trustee may not be able to take action, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where

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there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such action directly.

There has been no prior market for the Notes; the absence of a prior market for the Notes may contribute to a lack of liquidity and the market price of the Notes following this offering may be volatile

Notes may have no established trading market when issued, and one may never develop. There can be no assurance as to the liquidity of any market that may develop for the Notes, an investor's ability to sell its Notes or the prices at which it would be able to sell its Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

The Notes could trade at prices that may be lower than their initial offering price depending on many factors, including prevailing interest rates, the financial condition of the Issuer and the market for similar securities. This is particularly the case for Notes that are especially sensitive to interest rate, currency, credit or market risks, and/or are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. Neither the Issuer, the Arranger nor any Dealer has any obligation to make a market for the Notes. In addition, the market for debt securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. There can be no assurance that the markets for the Notes, if any, will not be subject to similar disruptions. Any disruptions in these markets may have a material adverse effect on investors' investment in the Notes.

The value of the Notes could be adversely affected by a change in Singapore law or administrative practice

The terms and conditions of the Notes are based on Singapore law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of this Information Memorandum and any such change could materially adversely impact the value of any Notes affected by it.

Performance of contractual obligations by the Issuer is dependent on other parties

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

Fluctuation of market value of Notes issued under the Programme

Trading prices of the Notes are influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer and/or its subsidiaries, associated companies (if any) and/or joint venture companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer and its subsidiaries, associated companies (if any) and joint venture companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer and its subsidiaries, associated companies (if any) and joint venture companies (if any) operate or have business dealings, could have a material adverse effect on the operating results, the financial condition and/or the future prospects of the Issuer or its subsidiaries, associated companies (if any) and joint venture companies (if any).

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets or may adversely affect the market price of any Series or Tranche of Notes.

RISK FACTORS

The transfer of Notes is restricted, which may adversely affect their liquidity and the price at which they may be sold

The Notes have not been registered, and the Issuer is not obligated to register the Notes under the Securities Act, or the securities laws of any other jurisdiction. In addition, this Information Memorandum has not been registered as a prospectus under the SFA. Accordingly, the Notes may not be offered or sold except pursuant to an exemption from or a transaction not subject to, the registration requirements of the Securities Act, the SFA and any other applicable laws. See “Subscription and Sale” for further details of certain selling restrictions applicable. The Issuer has not agreed to, or otherwise undertaken, to register this Information Memorandum or the Notes (including by way of an exchange offer) with the Monetary Authority of Singapore (“MAS”) or the U.S. Securities and Exchange Commission, and the Issuer has no intention to do so.

Favourable Singaporean taxation laws may be amended or revoked prior to the maturity of the Notes

The Notes to be issued from time to time under the Programme, during the period from the date of this Information Memorandum to 31 December 2018 are intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “Taxation”. However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

It was announced in the Singapore Budget Statement 2018 that the qualifying debt securities scheme will be extended until 31 December 2023, subject to details to be announced by the MAS.

Legal investment considerations may restrict certain investments

Investment activities may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Notes. If such an investor is a financial institution, it should also consult its legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes may be represented by Global Notes or Global Certificates and holders of an interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s)

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes and Global Certificates will be deposited with CDP or any other clearing system (each of these, a “Clearing System”). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Notes.

While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the Clearing Systems. While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to CDP or such other clearing system, as the case may be, for distribution to their account holders. A holder of beneficial interest in the Global Notes must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take

RISK FACTORS

enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

Risks Relating to the Issuer

Any repeal or amendment to the LTA Act, or any changes in the funding sources of the Issuer, may adversely affect the Issuer's ability to comply with its obligations under the Notes

The Issuer is constituted under the LTA Act, which sets out the powers and functions of the Issuer. The Issuer finances its operations in the manner described in "Land Transport Authority of Singapore—Financing of Land Transport Authority of Singapore". In addition, Sections 14(2) and 14(3) of the LTA Act states that, with the approval of the Minister for Finance, the Issuer may borrow or otherwise raise money for the purposes of carrying out its function and duty of constructing any railway or roads or other related facilities, and the repayment of such money borrowed or raised, and interest, premium and other charges thereon, shall be met out of funds provided to the Issuer by the Minister for Finance.

The Issuer intends to use the proceeds from the issuance of Notes under the Programme to finance its land transport infrastructure development projects, which arise from its function and duty of constructing railway or roads or other facilities. The Issuer cannot give any assurance that the LTA Act will not be amended or repealed in the future, or that its sources of financing will not change. Any such amendment or repeal, or any such change in sources of financing, may result in the inability of the Issuer to comply with its obligations (including its repayment obligations) under the Notes or otherwise result in a breach of the Trust Deed.

HISTORY AND BUSINESS

LTA, a statutory board of the Ministry of Transport, was established on 1 September 1995 under the LTA Act.

The scope of activities of LTA includes:

- (i) Formulation of land transport policies;
- (ii) Integrated transport planning together with land use;
- (iii) Planning, design and development of RTS and road infrastructure and systems;
- (iv) Management of road traffic and maintenance of related road infrastructure and systems;
- (v) Public transport promotion;
- (vi) Regulation of rapid transit and public bus services, including determining the service standards to be provided, exercising the licensing function, and the ownership and management of bus and rail operating assets;
- (vii) Regulation of private transport ownership and usage;
- (viii) Licensing of vehicles and management of their records;
- (ix) Central bus network planning; and
- (x) Acquiring of payment transactions for public transport, road pricing and electronic parking system.

VISION

LTA is guided and driven by its vision statement – “To create a people-centred land transport system”.

BUILDING A PEOPLE-CENTRED LAND TRANSPORT SYSTEM

A people-centred land transport system must meet the diverse needs of a growing population and expanding economy. It will ensure physical accessibility for all, provide affordable transport and promote environmental sustainability in transport solutions.

The aim is to make public transport a choice mode of travel by ensuring that it is reliable, convenient and that commuters enjoy short headways. Commuters' travel experience will be enhanced by investing in infrastructure and leveraging on technology. Ultimately, our land transport system must offer more connections, better service and foster a more liveable and inclusive community.

This vision will be achieved through the following key strategic thrusts:

(1) Making Public Transport a Choice Mode of Travel

Similar to all major cities with land constraints, public transport must be the main mode of travel in Singapore as it is currently the most space-efficient and environmentally-sustainable transport option. LTA's target is for the public transport modal share during the morning and evening peak hours to reach 75 per cent by 2030. To achieve this, the public transport system must be the most attractive option and this means being a viable alternative to driving. The target is for 85 per cent of public transport commuters to complete their journey that is less than 20km within an hour by 2030. Key public transport initiatives will be rolled out to strengthen the integration of the public transport system.

- ***Expanding the RTS network***

The RTS is the backbone of the public transport system given its higher load capacity and speed. Singapore is currently served by the North-South East-West Line (NSEWL), the North East Line, Downtown Line and Circle Line. We will continue to invest in expanding our rail network with the addition of the Thomson-East Coast Line, Jurong Region Line and Cross Island Line in the future. These new projects will realise LTA's vision to extend the rail network from the current 228km to about 360km by 2030.

These enhancements will meet the demand in public transport ridership over the next two decades while also providing some buffer capacity should the population and ridership growth increase beyond our projections.

Besides improving connectivity within Singapore, the Government will also improve transport connectivity to neighbouring Malaysia through the development of the Kuala Lumpur-Singapore High Speed Rail Project by 2026 and a RTS link to Johor Bahru by 2024.

- ***Better service***

To shorten waiting times and provide more space for commuters on public transport, LTA is increasing the capacity of both rail and bus systems.

From 1 October 2016, LTA took over all operating assets of the NSEWL, the Circle Line (CCL) and the Bukit Panjang LRT (BPLRT) from SMRT under the New Rail Financing Framework (NRFF). From 1 April 2018, the North East Line (NEL) and Sengkang LRT and Punggol LRT (SPLRT)'s operating assets will be transferred to LTA under the NRFF. SBS Transit will be granted a 15-year licence to operate the lines until 31 March 2033. This completes the transition of the entire rail network to NRFF.

Under the NRFF, commuters' needs are better served as rail services will be more responsive to increased ridership as LTA decides on capacity expansion and ensures that it is done in a timely way. Rail operators, relieved of heavy capital expenditure, can thus focus on providing reliable and well-maintained rail services for commuters.

- ***Enhancing rail reliability***

There are six core systems being upgraded and renewed to improve the reliability of the NSEWL. The completion of several multi-year renewal projects such as the sleeper replacement and third rail replacement on the line has shown some results in increasing rail reliability. Extended engineering hours for the NSEWL were implemented in December 2017 to accelerate asset renewals, re-signalling works and intensifying maintenance works so that commuters can look forward to more reliable train services, sooner.

The NSEWL will be equipped with a new power supply system that will be equipped with features to significantly reduce the number of power-related faults. For example, the system allows automatic switching of the power supply source during a power outage so as to speed up service recovery. The new system will also allow for real-time monitoring and better fault prediction, detection and identification. In addition, LTA will also be increasing the capacity of the intake power substations to improve the overall resilience of the NSEWL power supply network.

The provision of track circuits will enable a quicker recovery during a signalling system failure. The new track circuit system is equipped with condition monitoring, which can identify an impending track circuit failure before it occurs, and in turn allow for pre-emptive rectification works. In addition, track circuits can also help to detect broken rails.

In addition to the new and upgraded power supply and track circuit systems, LTA also intends to award a tender to replace 66 first-generation NSEWL trains in the coming months. LTA has been progressively adding new trains – fitted with a new signalling system – to the NSEWL fleet till 2019 to increase the RTS service capacity. The new trains will also have new features such as sensors to monitor track conditions which would enhance the overall reliability of the RTS network.

- ***Reliable and Connective Buses and Networks***

More buses currently ply the roads with the addition of 1,000 buses to the overall bus fleet, under the Bus Service Enhancement Programme. In addition, greater priority will be given to buses on the roads so that commuters can reach their destinations promptly via public transport.

The public bus industry fully transitioned to the bus contracting model (BCM) in September 2016. Under the BCM, LTA determines the bus services to be provided and sets service standards. This enables the Government to introduce new bus services, and reduce wait time and crowdedness. To support the higher service standards, the Government will be subsidising close to S\$4 billion over the next five years to enhance bus services as LTA progressively builds up rail capacity.

As part of the BCM, the Bulim, Loyang, Seletar and Bukit Merah bus packages were progressively put up for open tender. The Bulim bus package was awarded to Tower Transit in May 2015, while the Loyang package was awarded to the Go Ahead in November 2015. These two packages are already in operation. SBS Transit was awarded the Seletar package in April 2017 and will operate from the new Seletar bus depot by first quarter of 2018. LTA awarded the contract for the Bukit Merah bus package to SBS Transit in February 2018 and the new contract will start from the fourth quarter of 2018.

The Common Fleet Management System (CFMS) lets bus operators track bus fleets in real time. With live data on traffic accidents and bus locations and arrival times, operators can make quick adjustments to bus operations, thus boosting efficiency.

LTA is also developing the Fusion AnalyticS for public Transport Emergency Response (FASTER) system to improve transport planning. The system will combine farecard data, video footage and anonymised telecommunications data to better manage and enhance responses to public transport incidents and special events. It will also recommend specific measures such as the injection of more trains and buses.

- ***Walking/Cycling***

To shape a car-lite Singapore, the Government is encouraging cycling and plans to expand the existing cycling network to about 700km by 2030. To cultivate a cycling culture and improve short-distance commute within the housing estates, LTA is implementing intra-town cycling networks to provide dedicated cycling paths which are safer and more convenient for residents to cycle to nearby amenities. So far, LTA has implemented intra-town cycling networks in Tampines, Pasir Ris, Changi-Simei, Sembawang, Yishun, Punggol, Jurong Lake District, Ang Mo Kio and Bedok.

Cycling links have also been added to 12 MRT stations to connect them to the nearby park connectors. The links have dedicated cycling and pedestrian lanes, and bridge first-and-last mile connections to and from the MRT stations.

Beyond the expansion plans for intra-town cycling networks, the Government is also looking at providing cycling routes to connect cyclists directly from their homes to the city. Since June 2016, the Government has completed the project to revitalise Bencoolen Street where two of the four original car lanes were converted into wider walking spaces for pedestrians, and a dedicated cycling path added for cyclists and personal mobility device users. In the near future, Bencoolen Street will also be connected to existing and planned cycling routes, including cycling paths along the 21.5km North-South Corridor, to create a safe and seamless cycling network covering the whole of Singapore.

- ***New Rules for Personal Mobility Devices***

Since June 2017, commuters can take their foldable bicycles and Personal Mobility Devices (PMDs) on board buses and trains all day, as part of LTA's efforts to improve first-last mile connectivity.

In January 2017, Parliament passed the Active Mobility Bill, which puts in place rules on the technical criteria of PMDs, and where bicycles and PMDs are to be used, so as to create a safe environment for all users of public paths. To keep public paths safe, LTA also deploys Active Mobility Enforcement Officers to areas with high pedestrian and cyclist traffic, to deter reckless behaviour on bicycles and PMDs and encourage safe sharing of paths.

- ***New Rules for Power-Assisted Bicycles***

To deter reckless riding, owners of power-assisted bicycles are required to register their bicycles and affix them with number plates from August 2017.

(2) Reducing Reliance on Private Transport

To keep traffic flowing smoothly on the roads, LTA adopts a holistic package of measures that includes promoting use of public transport, road expansion as well as managing demand for road use by controlling vehicle growth and restraining usage. Through the Vehicle Quota System (VQS), LTA will continue to control vehicle population growth to reduce pressure on road space. LTA will also strengthen the effectiveness of the Electronic Road Pricing (ERP) tool to manage travel demand.

- ***Lowering vehicle population growth rate***

With 12 per cent. of Singapore's total land area already taken by roads, there is limited scope for further expansion of the road network. Priority for road growth will be given to serve new development areas and to facilitate bus movements to bring about a better public transport experience. With total vehicle population drawing near to one million, it is no longer tenable to continue growing our vehicle population. The Government has gradually reduced the annual vehicle growth rate over the years – with the growth rates reduced from 3 per cent. in 1990 to zero from 2018 onwards for cars and motorcycles.

- ***Taxis and Private-Hire Cars***

With the availability of taxi booking applications and private hire car options, LTA, in consultation with the taxi industry — comprising National Taxi Association (NTA), taxi drivers and taxi companies — has simplified the Taxi Availability (TA) framework. Taxis are no longer required to clock a minimum daily mileage of 250km and taxi operators no longer need to meet availability requirements during shoulder peak periods, which are between 6am to 7am and 11pm to 12am.

Private hire cars offer commuters more options to reach their destinations, reducing the need for people to own cars. Users can opt for a personalised, point-to-point chauffeured service, or share a ride with other people heading towards the same direction to lower their fares. To ensure commuters' safety, drivers of chauffeured private hire cars are required to display tamper-evident decals on their car windscreens. The drivers also need a Private Hire Car Driver's Vocational Licence (PDVL) to ferry passengers around. Such a licensing scheme ensures that drivers are equipped with sufficient knowledge and skills to provide chauffeured services. Commuters will also be able to identify registered chauffeured private hire cars through the decals that drivers have to affix on their vehicles. Such requirement will also facilitate the enforcement against errant drivers. Both requirements started in July 2017.

- ***Electric Vehicle Car-sharing Programme***

From December 2017, BlueSG Pte Ltd will progressively introduce Singapore's first large-scale electric vehicle ("EV") car-sharing programme. Under the agreement signed with LTA and the Singapore Economic Development Board, BlueSG – a subsidiary of the Bolloré Group – will target to set up a fleet of shared EVs that would be supported by charging points island-wide. As a one-way car-sharing programme, users will have the convenience and flexibility of returning the EV at locations different from their point of pick-up.

- ***Better Management of Traffic Congestion***

By 2020, the Government will implement the Next-Generation Electronic Road Pricing System. Besides allowing for greater flexibility in managing traffic congestion, the new system to replace the current gantry-based system will provide motorists with additional services, such as real-time traffic information, that would help to better optimise the use of our limited road space.

- ***Developing Autonomous Vehicle Technology***

In the longer term, the Government is working towards leveraging autonomous vehicle ("AV") technology for Singapore's land transport system, both as a mode of mass public transport as well as shared transport options. AVs have the potential of playing an increasing role in the future of Singapore's land transport system. Technological trials as well as research projects are currently underway with different industry partners, with the aim of eventually deploying AVs safely on Singapore's public roads.

(3) Liveable City and Inclusive Community

The transport system plays a role in enabling every Singaporean to access the expanding opportunities in a vibrant city. With an extensive and efficient transport network, Singaporeans will enjoy convenient travel to their workplaces, schools and the myriad of leisure and entertainment options in the city.

In catering to the diverse needs of the community, the public transport system is now largely barrier-free. Under the Land Transport Master Plan 2013, more has been done to help the less mobile and elderly with the installation of lifts at more overhead bridges, longer road crossing time for the elderly and those with disabilities, as well as audio-tactile systems for the visually-handicapped at more traffic junctions. LTA is collaborating with SG Enable to co-create solutions that can make public transport more accessible for persons with special needs.

FINANCING OF LAND TRANSPORT AUTHORITY OF SINGAPORE

LTA receives monetary advances from the Government to finance the construction of road infrastructure and systems, which it undertakes on behalf of the Government. The road infrastructure is owned by the Government. In addition, LTA receives a management fee from the Government to finance its operating expenditure, which includes the cost of maintaining the road infrastructure and traffic systems.

The construction of rapid transit systems is funded by development grants from the Government and these capital expenditures are capitalised in LTA's accounts. The operation of the rapid transit systems is then regulated and licensed by LTA to private operators.

LTA may borrow or raise funds to finance its land transport infrastructure development projects. The principal repayment, interest and other charges incurred for the purpose of borrowing will be met out of funds provided by the Government.

USE OF PROCEEDS

The Issuer intends to use the proceeds from the issue of Notes to finance LTA's land transport infrastructure development projects, and/or such other purposes as may be specified in the relevant Pricing Supplement.

FINANCIAL HIGHLIGHTS OF LTA AND ITS SUBSIDIARIES

Income and Expenditure Statements

	For the financial year ended 31 March			
	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000
Operating income	1,506,755	877,877	728,380	672,588
Operating expenditure	(2,793,514)	(1,622,456)	(1,391,015)	(1,219,343)
Operating deficit	(1,286,759)	(744,579)	(662,635)	(546,755)
Other gains - net	14,961	3,180	13,090	5,069
Deficit before Government grants	(1,271,798)	(741,399)	(649,545)	(541,686)
Government grants	1,231,050	773,847	633,752	559,538
(Deficit)/surplus before contribution to Consolidated Fund and income tax	(40,748)	32,448	(15,793)	17,852
Contribution to Consolidated Fund	-	-	-	-
Income tax expense	(1,762)	(650)	(1,907)	(2,561)
Net (deficit)/surplus for the financial year	<u>(42,510)</u>	<u>31,798</u>	<u>(17,700)</u>	<u>15,291</u>

LAND TRANSPORT AUTHORITY OF SINGAPORE

FINANCIAL HIGHLIGHTS OF LTA AND ITS SUBSIDIARIES

Balance Sheets

	As at 31 March			
	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	4,630,773	4,575,708	2,006,081	2,115,915
Trade and other receivables	1,264,402	1,355,879	888,739	751,162
Inventories	15,972	16,049	11,512	9,066
Financial assets, at fair value through profit or loss	84,885	124,695	143,131	200,734
Other current assets	20,358	19,680	21,533	30,153
Derivative financial instruments	1,293	4,864	5,847	4,900
	<u>6,017,683</u>	<u>6,096,875</u>	<u>3,076,843</u>	<u>3,111,930</u>
Non-current assets				
Derivative financial instruments	3,050	2,960	4,837	7,732
Property, plant and equipment	43,827,352	37,152,681	32,281,103	28,730,175
Other non-current assets	13,641	13,641	13,641	13,641
Deferred income tax assets	12	-	-	-
	<u>43,844,055</u>	<u>37,169,282</u>	<u>32,299,581</u>	<u>28,751,548</u>
Total assets	<u>49,861,738</u>	<u>43,266,157</u>	<u>35,376,424</u>	<u>31,863,478</u>
LIABILITIES				
Current liabilities				
Trade and other payables	1,670,909	1,550,083	995,901	1,314,722
Derivative financial instruments	1,566	2,716	13,221	741
Long-term grants received in advance	74,820	75,600	75,500	76,000
Borrowings	-	500,000	300,000	-
Current income tax liabilities	2,610	1,351	1,912	3,442
Provision for pensions and gratuities	7,761	11,127	11,114	9,998
	<u>1,757,666</u>	<u>2,140,877</u>	<u>1,397,648</u>	<u>1,404,903</u>
Non-current liabilities				
Derivative financial instruments	1,088	961	3,243	1,546
Long-term grants received in advance	1,156,145	1,031,017	807,156	584,690
Borrowings	3,475,000	3,475,000	1,475,000	1,775,000
Trade and other payables	216,311	194,574	213,403	241,607
Deferred income tax liabilities	576	810	696	494
Deferred capital grants	40,060,033	35,200,775	30,405,882	26,764,446
Provision for pensions and gratuities	1,374	1,504	1,468	2,464
	<u>44,910,527</u>	<u>39,904,641</u>	<u>32,906,848</u>	<u>29,370,247</u>
Total liabilities	<u>46,668,193</u>	<u>42,045,518</u>	<u>34,304,496</u>	<u>30,775,150</u>
NET ASSETS	<u>3,193,545</u>	<u>1,220,639</u>	<u>1,071,928</u>	<u>1,088,328</u>
EQUITY				
Capital account	102,954	102,954	102,954	102,954
Share capital	2,233,094	217,995	106,933	91,101
Accumulated surplus	856,101	898,844	867,046	884,746
Other reserves	1,396	846	(5,005)	9,527
Total equity	<u>3,193,545</u>	<u>1,220,639</u>	<u>1,071,928</u>	<u>1,088,328</u>

GENERAL AND STATUTORY INFORMATION

1. Issued Debentures

No debentures of LTA have been issued, or agreed or proposed to be issued, as fully or partly paid in cash or otherwise than in cash during the last two years preceding the date of this Information Memorandum.

As at 26 February 2018, being the latest practicable date prior to the printing of this Information Memorandum, no person has been, or is entitled to be, given any option to subscribe for any debentures of LTA.

2. The Board and Management

The Board and senior management are entrusted with the responsibility for the overall management of LTA.

Members of LTA

Under Section 5(1) of the LTA Act, the Issuer must consist of a Chairman and not less than two nor more than 14 other members. The name and appointment of each of the members are as follows:

Name	Appointment
Mr Chan Heng Loon Alan	Chairman
Mr Lim Cherng Yih Richard	Deputy Chairman
Mr Ngien Hoon Ping	Member
Mr Wong Yew Meng	Member
Mr Arthur Lang Tao Yih	Member
Mr Tan Peng Yam	Member
Mr Michael Chin Yong Kok	Member
Mr Richard Hoo Eng Jek	Member
Mr Tan Kiat How	Member
Mr Mohd Sa'at Bin Abdul Rahman	Member
Professor Tan Thiam Soon	Member
Ms Chan Su-Min, Fiona	Member
Mr Tong Chun Fai, Edwin Charles	Member
Mr Melvin Yong Yik Chye	Member
Mr Cheong Chee Hoo	Member

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Key Management Team

The name and appointment of each member of the key management team are as follows:

Name	Appointment
Mr Ngien Hoon Ping	Chief Executive
Mr Chua Chong Kheng	Deputy Chief Executive Infrastructure & Development
Mr Jeremy Yap Weng Lock	Deputy Chief Executive Public Transport, Policy & Planning
Mr Goh Teck Seng	Deputy Chief Executive Corporate
Mr Sim Wee Meng	Senior Group Director Rail and Group Director Rail Infrastructure & Expansion
Ms Alice Tan Guong Khim	Chief Financial Officer
Mr Ng Kee Nam	Group Director Thomson-East Coast & Cross Island Lines (Civil)
Mr Frederick Wong Chee Kiong	Group Director Safety & Contracts
Mr Lew Yii Der	Group Director Safety & Contracts (Designate)
Mr Leong Kwok Weng	Group Director Rail / Road Systems Engineering
Mr Louis Paul Fok Kow	Group Director Infrastructure Design & Engineering
Dr Chin Kian Keong	Chief Engineer Road & Traffic
Mr Wong Wai Keong	Group Director Rail Asset, Operations & Maintenance
Mr Yap Cheng Chwee	Group Director North-South Corridor
Mr Yeo Teck Guan	Group Director Public Transport
Ms Helen Lim Kwee Kee	Group Director Corporate Communications

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Name	Appointment
Mr Alvin Chia Beng Teck	Group Director Vehicle Services
Ms Lina Lim	Group Director Policy & Planning
Mr Chandrasekar S/O Palanisamy	Group Director Traffic & Road Operations
Mr Lam Wee Shann	Group Director Technology & Industry Development
Mr Yap Boon Leong	Group Director Road & Commuter Infrastructure Development
Dr Chuai Chip Tiong	Chief Quality Service Manager Office
Mr Eugene Lee Yee Leng	General Counsel
Mr Peter Quek Ser Hwee	Group Director Information Technology, Cybersecurity & Digital Services

3. Related Companies

As at 26 February 2018, being the latest practicable date prior to the printing of this Information Memorandum, the corporations which would be deemed to be related to LTA by virtue of the definition set out in Section 6 of the Companies Act are as follows:

(a) Wholly-owned subsidiaries of LTA

- (i) MSI Global Private Limited;
- (ii) EZ-Link Pte Ltd;
- (iii) SG HSR Pte. Ltd.; and
- (iv) Transit Link Pte Ltd.

(b) Subsidiary of MSI Global Private Limited

- (i) MSI (Shanghai) Engineering Consultancy Private Limited

4. Material Contracts

There were no material contracts (being contracts that are material in the context of the issue and offering of the Notes and excluding contracts entered into in the ordinary course of business) entered into by the Issuer within the two years preceding 26 February 2018, being the latest practicable date prior to the printing of this Information Memorandum.

5. Consents

The Arranger, the Dealers, the Trustee, the Principal Paying Agent, the Transfer Agent, the Registrar, the Legal Adviser to the Issuer, the Legal Adviser to the Arranger, the Legal Adviser to the Trustee, the Principal Paying Agent, the Transfer Agent and the Registrar have each given and have not withdrawn their respective written consents to the issue of this Information Memorandum with the inclusion herein of their names and all references thereto, in the form and context in which they respectively appear in this Information Memorandum.

PricewaterhouseCoopers LLP has given and has not withdrawn their written consent to the reproduction in this Information Memorandum of their auditor's report dated 27 June 2017 in relation to the audited financial statements of the Issuer and its subsidiaries for the financial year ended 31 March 2017, and to the inclusion in this Information Memorandum of the references to their name in the form and context in which they appear in this Information Memorandum.

6. Availability of Documents for Inspection

Copies of the following documents are available for inspection at the office of LTA at 1 Hampshire Road Singapore 219428 during normal business hours for a period of six months from the date of this Information Memorandum:

- (a) the audited consolidated financial statements of the Issuer for the financial years ended 31 March 2015, 2016 and 2017;
- (b) the Trust Deed;
- (c) the Agency Agreement;
- (d) the Deed of Covenant; and
- (e) this Information Memorandum and any supplements thereto.

CLEARING AND SETTLEMENT

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 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 Note or Global Certificate 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 Securities and Futures Act 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 the 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.

CDP is not involved in money settlement between Depository Agents (or any other persons) because 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, the Principal 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.

The statements below are general in nature, are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Monetary Authority of Singapore (the “MAS”) in force as at the date of this Information Memorandum 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 retroactive 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 Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements below 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(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Singapore

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 (a) 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 (b) 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 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%.

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 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from 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

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- 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 was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Bond Market) Company, Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (each as defined in the ITA) at such time, any tranche of the Notes (the “**Relevant Notes**”) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be qualifying debt securities (“**QDS**”) for the purposes of the ITA, to which the following treatment shall apply:

- (a) 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 the funds and profits of such 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 paid by the Issuer and derived by a holder who is not resident in Singapore and (i) who 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;
- (b) 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 paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to 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
- (c) 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,

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

Notwithstanding the foregoing:

TAXATION

- if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche 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 life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
 - any related party of the Issuer; or
 - 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,

will 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 “**prepayment fee**”, “**redemption premium**” and “**break cost**” are defined in the ITA as follows:

- “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;
- “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; and
- “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.

References to “prepayment fee”, “redemption premium” and “break cost” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant 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 (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.

It was announced in the Singapore Budget Statement 2018 that the QDS Scheme will be extended until 31 December 2023, subject to details to be announced by the MAS.

Under the Qualifying Debt Securities Plus Scheme (the “**QDS Plus Scheme**”), 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 in respect of the QDS in the prescribed format within such period as the MAS may specify and such other particulars in connection with the QDS as the MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

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- are issued during the period from 16 February 2008 to 31 December 2018;
- have an original maturity of not less than 10 years;
- cannot have their tenure shortened to less than 10 years from the date of their issue, except where –
 - the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and
 - the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and
- cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, 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 life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

- any related party of the Issuer; or
- 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,

will not be eligible for the tax exemption under the QDS Plus Scheme as described above.

It was announced in the Singapore Budget Statement 2018 that the QDS Plus Scheme will be allowed to lapse after 31 December 2018, but debt securities with tenures of at least 10 years which are issued on or before 31 December 2018 can continue to enjoy the tax concessions under the QDS Plus Scheme if the conditions of such scheme as set out above are satisfied.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard (“FRS”) 39 or FRS 109 may, for Singapore income tax purposes, 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 or FRS 109. See the section below on “Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes” for further details.

Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 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 & Measurement”.

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore

TAXATION

income tax purposes in respect of financial instruments in accordance with FRS 109, 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 abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in the Programme Agreement between the Issuer and the Arranger, the Notes will be offered from time to time for sale through the Relevant Dealer(s). The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the Relevant Dealer(s). The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the Relevant Dealer. The Programme Agreement further provides for the resignation of existing Dealers and the appointment of additional Dealers. The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

In connection with each tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes) and such orders and/or allocations of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

Selling Restrictions

General

The selling restrictions below may be modified or supplemented from time to time by the agreement of the Issuer and the Relevant Dealer(s). Any such modification or supplement will be set out in a Pricing Supplement or in a supplement to this Information Memorandum. 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.

Each Dealer understands that no action has been or will be taken by the Issuer in any jurisdiction that would permit a public offering of any of the Notes, or possession, circulation or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required. Each Dealer has agreed that it will, at its own expense, comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells, distributes or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, this Information Memorandum, any other document relating to the Notes or the Programme or any Pricing Supplement, and will ensure and procure that no obligation or liability is imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions. In connection with the offer, sale, distribution or delivery by any Dealer of any Notes or any interest therein or rights in respect thereof, the Issuer shall not have responsibility for, and each Dealer will obtain, any consent, approval or permission required in any jurisdiction to which it is subject or from which it may make any such offer, sale, distribution or delivery.

SUBSCRIPTION AND SALE

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented 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 Information Memorandum and 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.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (b) in 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
- 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 of 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 Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

PRIIIPs Regulation – Prohibition of Sales to EEA Retail Investors

Each Dealer represents and agrees 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 the Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- the expression “**retail investor**” means a person who is one (or more) of the following:
 - a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - 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; or
 - not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”); and
- the expression “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.

SUBSCRIPTION AND SALE

United Kingdom

Each Dealer represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- in relation to any Notes which have a maturity of less than one year, (i) 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 (ii) 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;
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the 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; and
- 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 have not been and will not be registered under the Securities Act, 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 except in certain transactions not subject to the registration requirements of Regulation S of the Securities Act (“**Regulation S**”). Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out 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 in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable tranche of Securities within the United States by any dealer that is not participating in the offering of such tranche of Securities may violate the registration requirements of the Securities Act.

SUBSCRIPTION AND SALE

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations, directives or restrictions in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own enquiries as to the laws, regulations, directives or restrictions in force or applicable in any particular jurisdiction at any relevant time.



LAND TRANSPORT AUTHORITY OF SINGAPORE

(Established under the Land Transport Authority of Singapore Act, Chapter 158A of Singapore)

S\$12,000,000,000

Multicurrency Medium Term Note Programme

Series No: [●]

Tranche No. [●]

[Brief Description and Amount of Notes]

Issue Price: [●] per cent.

[Publicity Name(s) of Dealer[s]]

Principal Paying Agent

DBS Bank Ltd.

10 Toh Guan Road

#04-11 (Level 4B)

DBS Asia Gateway

Singapore 608838

The date of this Pricing Supplement is [●].

APPENDIX A – FORM OF PRICING SUPPLEMENT

This Pricing Supplement relates to the Tranche of Notes referred to above.

This Pricing Supplement, under which the Notes described herein (the “**Notes**”) are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum dated 5 March 2018 (as supplemented, amended or replaced from time to time, the “**Information Memorandum**”) issued in relation to the S\$12,000,000,000 Multicurrency Medium Term Note Programme of the Land Transport Authority of Singapore (the “**Issuer**”). The Notes will be issued on the terms of this Pricing Supplement read together with the Information Memorandum.

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Information Memorandum, contains all information with respect to the Issuer and the Notes that is material in the context of the issue and offering of the Notes.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who 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.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws in the United States or any other jurisdiction, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. The Notes may only be offered and sold outside the United States to persons who are not U.S. persons in offshore transactions in reliance on Regulation S. In addition, subject to certain exceptions, Bearer Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended (the “**Internal Revenue Code**”)).

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/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**”); 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 manufacturer[’s/s’] 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 manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[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

APPENDIX A – FORM OF PRICING SUPPLEMENT

these purposes, a retail investor 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; or (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; or (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 “**PRIPs 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 PRIPs Regulation.]

Signed: _____
Authorised Signatory

APPENDIX A – FORM OF PRICING SUPPLEMENT

1. Terms and Conditions

The following items are the particular terms which relate to the Tranche of Notes the subject of this Pricing Supplement.

[Include whichever of the following apply]

- | | | |
|-----|--|---|
| 1. | Series No.: | [Number] |
| 2. | Tranche No.: | [Number] |
| 3. | Specified Currency: | [Currency] |
| 4. | Principal Amount of Series: | [Amount] |
| 5. | Principal Amount of Tranche | [Amount] |
| 6. | Issue Price: | [Price] per cent. |
| 7. | Issue Date: | [Date] |
| 8. | Maturity Date: | [Date] |
| 9. | Form of Notes (Condition 1(a)): | [Bearer Note/Registered Note]

[Temporary Global Note exchangeable for Definitive Bearer Notes/Temporary Global Note exchangeable for Permanent Global Note/Permanent Global Note/Definitive Bearer Notes/Global Certificate/Certificate] |
| 10. | Specified Denomination(s) (Condition 1(a)): | [Currency and Amount(s)] |
| 11. | Calculation Amount (if different from Specified Denomination): | [Currency and Amount(s)] |
| 12. | Redemption Amount: | [Currency and Amount(s)] / [100.0% of Specified Denomination] |
| 13. | Interest Basis/Payment Basis (Condition 1(a)): | [Fixed Rate/Floating Rate/Variable Rate/Hybrid Rate/Zero Coupon] |
| 14. | Fixed Rate Note: | |
| | (a) Rate of Interest (Condition 4(a)(i)): | [●] per cent. per annum |
| | (b) Interest Commencement Date (Condition 4(a)(i)): | [Date] |
| | (c) Specified Interest Payment Dates (Condition 4(a)(i)): | [Date(s)] |
| | (d) Fixed Coupon Amount (Condition 4(a)(ii)): | [Currency and Amount per Calculation Amount] |
| | (e) Initial Broken Amount (Condition 4(a)(ii)): | [Currency and Amount per Calculation Amount] |
| | (f) Final Broken Amount (Condition 4(a)(ii)): | [Currency and Amount per Calculation Amount] |
| | (g) Day Count Fraction (Condition 4(a)(iii)): | [Actual/365 (Fixed)] / [other basis] |

APPENDIX A – FORM OF PRICING SUPPLEMENT

15. Floating Rate Notes:

- | | |
|---|---|
| (a) Redemption Month (Condition 5(a)): | [Month and Year] |
| (b) Interest Commencement Date (Condition 4(b)(i)): | [Date] |
| (c) Specified Interest Payment Dates (Condition 4(b)(i)): | [Date(s)] |
| (d) Interest Period (Condition 4(b)(i)): | [Number of months or other period] |
| (e) Business Day Convention (Condition 4(b)(i)): | [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[specify any other convention – include details] |
| (f) Interest Determination Date (Condition 4(b)(ii)): | [●] Business Days prior to the first day of each Interest Period |
| (g) Benchmark (Condition 4(b)(ii)): | [SIBOR] / [Swap Rate] / [LIBOR] / [EURIBOR] / [Specify other benchmark] |
| (h) Primary Source (Condition 4(b)(ii)): | [ISDA Determination]/[Screen Rate Determination]/[Reference Banks] |
| (i) Relevant Screen Page (Condition 4(b)(ii)): | [Specify screen page] |
| (j) Reference Banks (Condition 4(j)): | [Name four for LIBOR/EURIBOR and name three for SIBOR/Swap Offer Rate] |
| (k) Relevant Time (Condition 4(j)): | [Specify time] |
| (l) Day Count Fraction (Condition 4(e)): | [Actual/Actual (ICMA)] / [Actual/Actual] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)] / [Other basis] |
| (m) Relevant Financial Centre (Condition 4(j)): | [Specify if not Singapore] |
| (n) Reference Rate (Condition 4(j)): | [●] per cent. per annum |
| (o) Margin (Condition 4(b)(ii)): | [+ / -] [●] per cent. per annum |
| (p) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest, if different from those set out in the Conditions: | [●] |

16. Variable Rate Notes:

- | | |
|---|------------------|
| (a) Redemption Month (Condition 5(a)): | [Month and Year] |
| (b) Interest Commencement Date (Condition 4(b)(i)): | [Date] |
| (c) Specified Interest Payment Dates | [Date(s)] |

APPENDIX A – FORM OF PRICING SUPPLEMENT

- (Condition 4(b)(i)):
- | | |
|---|---|
| (d) Interest Period (Condition 4(b)(i)): | [Number of months or other period] |
| (e) Business Day Convention (Condition 4(b)(i)): | [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[specify any other convention – include details] |
| (f) Interest Determination Date (Condition 4(b)(ii)): | [●] Business Days prior to the first day of each Interest Period |
| (g) Benchmark (Condition 4(b)(iii)): | [SIBOR] / [Swap Rate] / [LIBOR] / [EURIBOR] / [Specify other benchmark] |
| (h) Primary Source (Condition 4(b)(ii)): | [ISDA Determination]/[Screen Rate Determination]/[Reference Banks] |
| (i) Relevant Screen Page (Condition 4(b)(ii)): | [Specify screen page] |
| (j) Reference Banks (Condition 4(j)): | [Name four for LIBOR/EURIBOR and name three for SIBOR/Swap Offer Rate] |
| (k) Relevant Time (Condition 4(j)): | [Specify time] |
| (l) Day Count Fraction (Condition 4(e)): | [Actual/Actual (ICMA)] / [Actual/Actual] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)] / [Other basis] |
| (m) Relevant Financial Centre (Condition 4(j)): | [Specify if not Singapore] |
| (n) Margin (Condition 4(b)(iii)): | [+ / -] [●] per cent. per annum |
| (o) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest, if different from those set out in the Conditions: | [●] |
17. Hybrid Notes:
- | | |
|---|------------------------------------|
| (a) Fixed Rate Period (Condition 4(c)(ii)(A)): | [●] |
| (b) Floating Rate Period (Condition 4(c)(iii)(A)): | [●] |
| (c) Redemption Month (Condition 5(a)): | [Month and Year] |
| (d) Rate of Interest (for Fixed Rate Period) (Condition 4(c)(ii)(A)): | [●] per cent. per annum |
| (e) Specified Interest Payment Dates (for Fixed Rate Period) (Condition 4(c)(ii)(A)): | [Date(s)] |
| (f) Initial Broken Amount (Condition | [Currency and Amount per Specified |

APPENDIX A – FORM OF PRICING SUPPLEMENT

4(c)(ii)(B)):	Denomination]
(g) Final Broken Amount (Condition 4(c)(ii)(B)):	[Currency and Amount per Specified Denomination]
(h) Interest Determination Date (for Floating Rate Period) (Condition 4(b)(ii)):	[●] Business Days prior to the first day of each Interest Period
(i) Interest Period (for Floating Rate Period) (Condition 4(c)(iii)(A)):	[Number of months or other period]
(j) Specified Interest Payment Dates (for Floating Rate Period) (Condition 4(c)(iii)(A)):	[Date(s)]
(k) Business Day Convention (Condition 4(c)(iii)(A)):	[Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]/[specify any other convention – include details]
(l) Benchmark (Condition 4(b)(ii)):	[SIBOR] / [Swap Rate] / [LIBOR] / [EURIBOR] / [Specify other benchmark]
(m) Primary Source (Condition 4(b)(ii)):	[ISDA Determination]/[Screen Rate Determination]/[Reference Banks]
(n) Relevant Screen Page (Condition 4(b)(ii)):	[Specify screen page]
(o) Reference Banks (Condition 4(j)):	[Named three]
(p) Relevant Time (Condition 4(j)):	[Specify time]
(q) Day Count Fraction (Condition 4(c)(ii)(C) and Condition 4(e)):	[Specify for Fixed Rate Period and for Floating Rate Period, as applicable, one or more of the following.] [Actual/Actual (ICMA)] / [Actual/Actual] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)] / [Other basis]
(r) Relevant Financial Centre (Condition 4(j)):	[Specify if not Singapore]
(s) Reference Rate (Condition 4(j)):	[●] per cent. per annum
(t) Margin (Condition 4(b)(ii)):	[+ / -] [●] per cent. per annum
(u) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Hybrid Notes during Floating Rate Period, if different from those set out in the Conditions:	[●]

18. Zero Coupon Notes:

APPENDIX A – FORM OF PRICING SUPPLEMENT

- | | | |
|-----|---|---|
| (a) | Amortisation Yield (Condition 4(d) and Condition 5(h)(ii)): | [●] per cent. per annum |
| (b) | Any other Formula / Basis of Determining Amount Payable: | [●] |
| (c) | Day Count Fraction (Condition 5(h)): | [State basis] |
| (d) | Default Interest (Condition 4(h)): | [Specify] |
| 19. | Early Redemption Amount (Condition 5(h) or Condition 5(i)): | [Specify] |
| 20. | Redemption at the Option of the Issuer (Condition 5(d)): | [Yes/No] |
| (a) | Redemption Option Period: | [Specify maximum and minimum number of days prior to Optional Redemption Date for notice period] / [Specify date range] |
| (b) | Optional Redemption Date(s): | [Specify dates] / [Date to be specified in notice to Noteholders] |
| (c) | Optional Redemption Amount: | [Amount] |
| (d) | Minimum Redemption Amount: | [Amount] |
| (e) | Maximum Redemption Amount: | [Amount] |
| 21. | Redemption at the Option of the Noteholders (Condition 5(e)): | [Yes/No] |
| (a) | Redemption Option Period: | [Specify maximum and minimum number of days prior to Optional Redemption Date for notice period] / [Specify date range] |
| (b) | Optional Redemption Date(s): | [Specify dates] / [Date to be specified in Put Notice] |
| (c) | Optional Redemption Amount: | [Amount] |
| 22. | Purchase at the Option of the Noteholder (Condition 5(f)): | [Yes/No] |
| (a) | VRN Purchase Option Period (Condition 5(f)(i)): | [Specify maximum and minimum number of days prior to Interest Payment Date for notice period] / [Specify date range] |
| (b) | Purchase Option Period (Condition 5(f)(ii)): | [Specify maximum and minimum number of days prior to purchase date for notice period] / [Specify date range] |
| 23. | Talons (Condition 6(a)(iii)): | |
| (a) | Talons for future Coupons to be attached to Definitive Bearer Notes: | [Yes/No] |
| (b) | Reference Date(s) or Interest Payment Date(s) on which the Talons mature: | [Date(s)] |
| 24. | Details of any additions or variations to the terms and conditions of the Notes as set out in the Information Memorandum: | [Give details] |

APPENDIX A – FORM OF PRICING SUPPLEMENT

2. Other Relevant Terms

- | | | |
|-----|---|---|
| 1. | Listing: | [Yes – [Stock Exchange] / No] |
| 2. | Clearing System(s): | [Not applicable] / CDP / [Other clearing system] |
| 3. | Depository / Custodian: | [Not applicable] / CDP / [Other] |
| 4. | ISIN No.: | [Number] |
| 5. | Common Code: | [Number] |
| 6. | TEFRA Rules Applicable: | [[Yes – [C Rules] / [D Rules]] / No] |
| 7. | Use of Proceeds: | [Specify if different from use disclosed in Information Memorandum.] |
| 8. | Method of Delivery: | [Delivery Versus Payment] / [Delivery Free of Payment] / [other arrangements] |
| 9. | Method of Distribution: | [Syndicated / Non-Syndicated] |
| 10. | If Syndicated: | |
| | (a) Lead Manager(s): | [Name] |
| | (b) Stabilising Manager: | [Name] |
| 11. | Commissions and Concessions: | [Specify] |
| 12. | Dealer(s) Subscribing for Notes: | [Legal Name(s) of Dealers] |
| 13. | Paying Agent(s): | [Names] |
| 14. | Registrar: | [Name]/[Not Applicable] |
| 15. | Transfer Agent(s): | [Names]/[Not Applicable] |
| 16. | Calculation Agent: | [Name]/[Not Applicable] |
| 17. | Date of Calculation Agency Agreement: | [Date]/[Not Applicable] |
| 18. | Details of Any Additional Selling Restrictions: | [Specify] |

3. Supplemental Information Memorandum Information

The Information Memorandum is hereby supplemented with the following information, which shall be deemed to be incorporated in, and to form part of, the Information Memorandum.

[Set out any additional disclosure and, if applicable, an indication as to where it should be inserted into the Information Memorandum.]

**APPENDIX B – AUDITED FINANCIAL STATEMENTS OF LAND TRANSPORT AUTHORITY OF SINGAPORE AND ITS
SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

The information in this Appendix B has been reproduced from the audited financial statements of the Land Transport Authority of Singapore and its subsidiaries for the financial year ended 31 March 2017 and has not been specifically prepared for inclusion in this Information Memorandum.

**Audited financial statements
of Land Transport Authority of Singapore and its subsidiaries
for the financial year ended 31 March 2017**

LAND TRANSPORT AUTHORITY OF SINGAPORE
(Established under the Land Transport Authority of Singapore Act, Chapter 158A)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

LAND TRANSPORT AUTHORITY OF SINGAPORE
(Established under the Land Transport Authority of Singapore Act, Chapter 158A)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
For the financial year ended 31 March 2017

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND TRANSPORT AUTHORITY

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Land Transport Authority (the "Authority") and its subsidiaries (the "Group") and the balance sheet, statement of comprehensive income and statement of changes in equity of the Authority are properly drawn up in accordance with the provisions of the Land Transport Authority of Singapore Act, Chapter 158A (the "Act") and Statutory Board Financial Reporting Standards in Singapore ("SB-FRSs") so as to present fairly, in all material respects, the state of affairs of the Group and the Authority as at 31 March 2017 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Authority for the financial year ended on that date.

What we have audited

The financial statements of the Authority and the Group comprise:

- the balance sheets of the Group and the Authority as at 31 March 2017;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the statement of comprehensive income of the Authority for the financial year then ended;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the statement of changes in equity of the Authority for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Authority in accordance with the Accounting and Corporate Regulatory Authority 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.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND TRANSPORT AUTHORITY (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Useful lives of property, plant and equipment (Refer to Note 2.4(b), Note 3 and Note 20 to the financial statements) At 31 March 2017, the Group's property, plant and equipment ("PPE") amounted to \$43,827 million. These include customised PPE which involve complex engineering and construction, and off-the-shelf PPE. The useful lives of the Group's PPE vary widely as disclosed in Note 2.4(b). Due to the inherent nature of the customised PPE, significant judgment is required in determining if the customised PPE contain parts that have different useful lives. Given the significance of PPE to the Group's financial statements, errors in estimating the useful lives of PPE could result in a material misstatement to the financial statements. As certain PPEs are funded by government grants, any misstatement in depreciation expense relating to these PPE would result in misstatement of the amortisation of the matching government grant in the Consolidated Statement of Comprehensive Income. As disclosed in the Consolidated Statement of Comprehensive Income, the depreciation expense of the Group amounted to \$837 million for the financial year ended 31 March 2017. Government grants amortised to match the depreciation expense of PPE funded by government grants amounted to \$692 million. While there is no impact on the net deficit of the Group relating to the depreciation expense of PPE which are funded by government grants, the depreciation expense relating to PPE not funded by government grants amounted to \$145 million for the financial year ended 31 March 2017.	Our audit procedures included the following: • We have evaluated the Group's PPE policies and procedures to identify those parts in customised PPEs that have different useful lives. • We have reviewed management's analysis to determine if the Group's customised PPE contain parts that have different useful lives. • We have assessed appropriateness of management's analysis by tracing to underlying documentary support such as project documentation, technical assessment and vendors' specifications. • We have reviewed management's analysis of estimated useful lives of the Group's PPE including the identification of conditions that may indicate significant changes to estimated useful lives such as expected usage of the asset, expected physical wear and tear, technical or commercial obsolescence and legal or similar limits on the use of the asset such as the expiry dates of related lease. Based on the work performed, we found the estimated useful lives to be within acceptable range.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND TRANSPORT AUTHORITY (continued)

Other Information

Management is responsible for the other information. The other information refers to all the sections of the annual report but does not include the financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and SB-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.

A statutory board is constituted based on its Act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is intention to wind up the Authority or for the Authority to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND TRANSPORT AUTHORITY (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 auditor's 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 auditor's 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 financial statements, including the disclosures, and whether the 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Authority during the financial year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Authority whether purchased, donated or otherwise.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND TRANSPORT AUTHORITY
(continued)

Report on Other Legal and Regulatory Requirements (continued)

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditor's *Responsibilities for the Compliance Audit* section of our report. We are independent of the Authority in accordance with the 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 on management's compliance.

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditor's Responsibilities for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

The engagement partner on the audit resulting in this independent auditor's report is Tan Bee Nah.



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 27 June 2017

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

Group	Note	General fund		Restricted funds		Total	
		Railway Sinking Fund		Bus Contracting*			
		2017 \$'000	2016 \$'000 (Restated)	2017 \$'000	2016 \$'000 (Restated)	2017 \$'000	2016 \$'000
Operating income		606,537	631,321	-	-	606,537	631,321
- Management fee from Government		-	-	-	-	-	-
- Bus fare revenue		-	-	512,949	-	512,949	-
- Bus & bus related lease income		-	-	40,704	-	40,704	-
- Rapid Transit System licence charge		-	-	-	-	-	-
- Other operating income	4	313,210	246,556	9	-	313,219	246,556
		919,747	877,877	553,662	-	1,506,755	877,877
Operating expenditure							
- Depreciation of property, plant and equipment	20	(728,890)	(625,384)	(46,461)	(10,010)	(837,422)	(635,394)
- Bus service fees		-	-	(848,412)	(21,056)	(848,412)	(21,056)
- Employee compensation	5	(351,903)	(302,035)	-	-	(351,903)	(302,035)
- Maintenance and upkeep		(161,031)	(169,454)	-	-	(161,031)	(169,454)
- Utilities		(34,649)	(43,874)	-	-	(34,649)	(43,874)
- Agency fees		(56,005)	(47,316)	(5)	(1)	(56,010)	(47,317)
- Bus & bus related leases		-	-	(79,224)	-	(79,224)	-
- Rental on operating leases		(12,912)	(13,266)	-	-	(12,912)	(13,266)
- Bond interest		(106,375)	(91,420)	-	-	(106,375)	(91,420)
- Loss on disposal of property, plant and equipment		-	-	-	-	-	-
- Information technology expenses		(22,597)	(21,500)	-	-	(22,597)	(21,500)
- Purchases of inventories		(85,034)	(71,205)	(3,170)	(503)	(88,204)	(71,708)
- Changes in inventories		(29,244)	(32,792)	-	-	(29,244)	(32,792)
- Reversal of inventory write-down		552	5,220	-	-	552	5,220
- Communications		193	258	-	-	193	258
- Contract services		(12,705)	(12,435)	(66)	-	(12,771)	(12,435)
- Cash collection and commission charge		(4,726)	(8,168)	-	-	(4,726)	(8,168)
- Other		(18,612)	(18,469)	-	-	(18,612)	(18,469)
		(128,422)	(139,010)	(1,739)	(36)	(130,167)	(139,046)
Total operating expenditure		(1,752,360)	(1,590,850)	(979,077)	(31,606)	(2,793,514)	(1,622,456)
Operating deficit		(832,613)	(712,973)	(425,415)	(31,606)	(1,286,759)	(744,579)
Other gains and income - net	6	13,219	3,180	1,455	-	14,961	3,180
Deficit before Government grants		(819,394)	(709,793)	(423,960)	(31,606)	(1,271,798)	(741,399)

* The Bus Contracting results for the financial year ended 31 March 2017 relate primarily to activities from 1 September 2016 (commencement of majority of the Bus Contracting operations) to 31 March 2017.

The accompanying notes form an integral part of these consolidated financial statements.

LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

Group	Note	General fund		Restricted funds			Total	
		2017 \$'000	2016 \$'000 (Restated)	Railway Sinking Fund 2017 \$'000	2016 \$'000	Bus Contracting* 2017 \$'000	2016 \$'000 (Restated)	2017 \$'000
Deficit before Government grants		(819,394)	(709,793)	(28,444)	-	(423,960)	(31,606)	(1,271,798)
Government grants:								
Deferred capital grants amortised	27	606,445	577,969	-	-	8,382	-	614,827
Operating grants		19,518	7,363	-	-	414,678	21,056	434,196
Long-term grants	18	75,652	76,039	-	-	-	-	75,652
Bond interest grants		106,375	91,420	-	-	-	-	106,375
		807,990	752,791	-	-	423,060	21,056	1,231,050
(Deficit)/surplus before contribution to Consolidated Fund and income tax		(11,404)	42,998	(28,444)	-	(900)	(10,550)	(40,748)
Contribution to Consolidated Fund	7	-	-	-	-	-	-	-
Income tax expense of subsidiaries	8(a)	(1,762)	(650)	-	-	-	-	(1,762)
Net (deficit)/surplus for the financial year		(13,166)	42,348	(28,444)	-	(900)	(10,550)	(42,510)
Other comprehensive income:								
Items that may be reclassified subsequently:								
Cash flow hedges	31	572	5,906	-	-	-	-	572
Currency translation differences	31	(22)	(55)	-	-	-	-	(22)
Other comprehensive income, net of tax		550	5,851	-	-	-	-	550
Total comprehensive (loss)/income		(12,616)	48,199	(28,444)	-	(900)	(10,550)	(41,960)

* The Bus Contracting results for the financial year ended 31 March 2017 relate primarily to activities from 1 September 2016 (commencement of majority of the Bus Contracting operations) to 31 March 2017.


Chan Heng Loon Alan
Chairman

27 June 2017



Ngien Hoon Ping
Chief Executive

27 June 2017

The accompanying notes form an integral part of these consolidated financial statements.

LAND TRANSPORT AUTHORITY OF SINGAPORE AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

Authority	Note	General fund		Restricted funds		Total	
		2017	2016	Railway Sinking Fund	Bus Contracting*	2017	2016
		\$'000	\$'000	2017	2016	\$'000	\$'000
			(Restated)	2016	(Restated)		
				\$'000	\$'000		
Operating income		606,537	631,321	-	-	606,537	631,321
- Management fee from Government		-	-	-	-	-	-
- Bus fare revenue		-	-	-	-	512,949	512,949
- Bus & bus related lease income		-	-	-	-	40,704	40,704
- Rapid Transit System licence charge		-	-	33,346	-	33,346	-
- Other operating income	4	216,333	154,524	-	-	216,342	154,524
		822,870	785,845	33,346	-	1,409,878	785,845
Operating expenditure							
- Depreciation of property, plant and equipment	20	(724,221)	(622,942)	(62,071)	(10,010)	(832,753)	(632,952)
- Bus service fees		-	-	-	(21,056)	(848,412)	(21,056)
- Employee compensation	5	(323,900)	(276,303)	-	-	(323,900)	(276,303)
- Maintenance and upkeep		(156,113)	(167,741)	-	-	(167,741)	(167,741)
- Utilities		(34,630)	(43,848)	-	-	(34,630)	(43,848)
- Agency fees		(59,621)	(49,262)	-	(1)	(59,626)	(49,263)
- Bus & bus related leases		-	-	-	-	(79,224)	-
- Rental on operating leases		(10,812)	(11,455)	-	-	(10,812)	(11,455)
- Bond interest		(106,375)	(91,420)	-	-	(106,375)	(91,420)
- Loss on disposal of property, plant and equipment		(22,597)	(21,497)	-	-	(22,597)	(21,497)
- Information technology expenses		(88,537)	(72,184)	-	(503)	(91,707)	(72,687)
- Purchases of inventories		(23,126)	(24,752)	-	-	(23,126)	(24,752)
- Changes in inventories		537	5,369	-	-	537	5,369
- Reversal of inventory write-down		193	258	-	-	193	258
- Communications		(12,721)	(12,454)	-	-	(12,787)	(12,454)
- Other		(115,365)	(116,276)	(6)	(36)	(117,110)	(116,312)
Total operating expenditure		(1,677,288)	(1,504,507)	(62,077)	(31,606)	(2,718,442)	(1,536,113)
Operating deficit		(854,418)	(718,662)	(28,731)	(31,606)	(1,308,564)	(750,268)
Other gains and income - net	6	9,830	753	287	-	11,572	753
Deficit before Government grants		(844,588)	(717,909)	(28,444)	(31,606)	(1,296,992)	(749,515)

* The Bus Contracting results for the financial year ended 31 March 2017 relate primarily to activities from 1 September 2016 (commencement of majority of the Bus Contracting operations) to 31 March 2017.

The accompanying notes form an integral part of these consolidated financial statements.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

	Note	General fund		Restricted funds		Total	
		2017 \$'000	2016 \$'000 (Restated)	Railway Sinking Fund 2017 \$'000	2016 \$'000 (Restated)	Bus Contracting* 2017 \$'000	2016 \$'000
Authority (continued)							
Deficit before Government grants		(844,588)	(717,909)	(28,444)	—	(423,960)	(31,606)
Government grants:							
Deferred capital grants amortised	27	606,445	577,969	—	—	8,382	—
Operating grants		19,518	7,363	—	—	414,678	21,056
Long-term grants	18	75,652	76,039	—	—	—	—
Bond interest grants		106,375	91,420	—	—	—	—
		807,990	752,791	—	—	423,060	21,056
(Deficit)/surplus before contribution to Consolidated Fund		(36,598)	34,882	(28,444)	—	(900)	(10,550)
Contribution to Consolidated Fund	7	—	—	—	—	—	—
Net (deficit)/surplus for the financial year		(36,598)	34,882	(28,444)	—	(900)	(10,550)
Other comprehensive income:							
<i>Items that may be reclassified subsequently:</i>							
Cash flow hedges	31	572	5,906	—	—	—	—
Other comprehensive income, net of tax		572	5,906	—	—	—	—
Total comprehensive (loss)/income		(36,026)	40,788	(28,444)	—	(900)	(10,550)
						(65,370)	30,238

* The Bus Contracting results for the financial year ended 31 March 2017 relate primarily to activities from 1 September 2016 (commencement of majority of the Bus Contracting operations) to 31 March 2017.

The accompanying notes form an integral part of these consolidated financial statements.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

BALANCE SHEETS

As at 31 March 2017

	Note	Group		Authority	
		2017 \$'000	2016 \$'000 (Restated)	2017 \$'000	2016 \$'000 (Restated)
ASSETS					
Current assets					
Cash and cash equivalents	9	4,630,773	4,575,708	4,473,548	4,431,481
Trade and other receivables	10	1,264,402	1,355,879	1,233,381	1,327,190
Inventories	13	15,972	16,049	15,032	14,295
Financial assets, at fair value through profit or loss	15	84,885	124,695	58,052	97,513
Other current assets	16	20,358	19,680	17,267	17,755
Derivative financial instruments	17	1,293	4,864	930	4,448
		<u>6,017,683</u>	<u>6,096,875</u>	<u>5,798,210</u>	<u>5,892,682</u>
Non-current assets					
Property, plant and equipment	20	43,827,352	37,152,681	43,814,835	37,142,841
Derivative financial instruments	17	3,050	2,960	3,050	2,960
Investments in subsidiaries	19	—	—	18,502	18,502
Other non-current asset	21	13,641	13,641	13,641	13,641
Deferred income tax assets	26	12	—	—	—
		<u>43,844,055</u>	<u>37,169,282</u>	<u>43,850,028</u>	<u>37,177,944</u>
Total assets		<u>49,861,738</u>	<u>43,266,157</u>	<u>49,648,238</u>	<u>43,070,626</u>
LIABILITIES					
Current liabilities					
Trade and other payables	22	1,670,909	1,550,083	1,617,634	1,490,259
Derivative financial instruments	17	1,566	2,716	1,480	2,713
Long-term grants received in advance	18	74,820	75,600	74,820	75,600
Borrowings	24	—	500,000	—	500,000
Current income tax liabilities	8(b)	2,610	1,351	—	—
Contribution to Consolidated Fund	7	—	—	—	—
Provision for pensions and gratuities	23	7,761	11,127	7,761	11,127
		<u>1,757,666</u>	<u>2,140,877</u>	<u>1,701,695</u>	<u>2,079,699</u>
Non-current liabilities					
Derivative financial instruments	17	1,088	961	1,088	961
Long-term grants received in advance	18	1,156,145	1,031,017	1,156,145	1,031,017
Borrowings	24	3,475,000	3,475,000	3,475,000	3,475,000
Trade and other payables	25	216,311	194,574	216,311	194,574
Deferred income tax liabilities	26	576	810	—	—
Deferred capital grants	27	40,060,033	35,200,775	40,074,572	35,215,314
Provision for pensions and gratuities	23	1,374	1,504	1,374	1,504
		<u>44,910,527</u>	<u>39,904,641</u>	<u>44,924,490</u>	<u>39,918,370</u>
Total liabilities		<u>46,668,193</u>	<u>42,045,518</u>	<u>46,626,185</u>	<u>41,998,069</u>
NET ASSETS		<u>3,193,545</u>	<u>1,220,639</u>	<u>3,022,053</u>	<u>1,072,557</u>
EQUITY					
Capital account	28	102,954	102,954	102,954	102,954
Share capital	29	2,233,094	217,995	2,233,094	217,995
Accumulated surplus/(deficit)	30				
- General fund		895,995	909,394	724,487	761,318
- Railway Sinking Fund		(28,444)	—	(28,444)	—
- Bus Contracting					
- Bus Operating Fund		(52,252)	(10,550)	(52,252)	(10,550)
- Bus Replacement Fund		40,802	—	40,802	—
Other reserves	31	1,396	846	1,412	840
Total equity		<u>3,193,545</u>	<u>1,220,639</u>	<u>3,022,053</u>	<u>1,072,557</u>
Bus Service Enhancement Fund					
- net assets	35	<u>434,692</u>	<u>842,740</u>	<u>434,692</u>	<u>842,740</u>

The accompanying notes form an integral part of these consolidated financial statements.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

Group	Note	Accumulated Surplus								
		Capital account \$'000	Share capital \$'000	General fund \$'000	Bus Contracting				Total equity \$'000	
					Railway Sinking Fund \$'000	Bus Operating Fund \$'000	Bus Replacement Fund \$'000	Sub- total \$'000		
2017										
Beginning of financial year		102,954	217,995	909,394	—	(10,550)	—	(10,550)	846	1,220,639
Total comprehensive income for the year		—	—	(13,166)	(28,444)	(900)	—	(900)	—	(42,510)
Net deficit for the financial year		—	—	—	—	—	—	—	550	550
Other comprehensive income		—	—	—	—	—	—	—	—	—
Total comprehensive (loss)/income for the year		—	—	(13,166)	(28,444)	(900)	—	(900)	550	(41,960)
Transfer to Bus Replacement Fund		—	—	—	—	(40,802)	40,802	—	—	—
Transaction with owners, recognised directly in equity										
Issue of shares	29	—	2,015,099	—	—	—	—	—	—	2,015,099
Dividends paid	29	—	—	(1,174)	—	—	—	—	—	(1,174)
Reimbursement by Ministry of Transport ("MOT") relating to dividends paid	29	—	—	941	—	—	—	—	—	941
Total transaction with owners		—	2,015,099	(233)	—	—	—	—	—	2,014,866
End of financial year		102,954	2,233,094	895,995	(28,444)	(52,252)	40,802	(11,450)	1,396	3,193,545

The accompanying notes form an integral part of these consolidated financial statements.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

Accumulated Surplus												
	Note	Capital account \$'000	Share capital \$'000	General fund \$'000 (Restated)	Bus Contracting					Sub- total \$'000	Other reserves \$'000	Total equity \$'000
					Railway Sinking Fund \$'000	Operating Fund \$'000 (Restated)	Replacement Fund \$'000	Bus				
Group (continued)												
2016												
Beginning of financial year												
Total comprehensive income for the year												
Net surplus/(deficit) for the financial year												
Other comprehensive income												
Total comprehensive income for the year												
Transaction with owners, recognised directly in equity												
Issue of shares												
Total transaction with owners												
End of financial year												

The accompanying notes form an integral part of these consolidated financial statements.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

Authority	Note	Accumulated Surplus												
		Capital account \$'000	Share capital \$'000	General fund \$'000	Bus				Bus Contracting		Sub- total \$'000	Other reserves \$'000	Total equity \$'000	
					Railway Sinking Fund \$'000	Operating Fund \$'000	Replacement Fund \$'000	Bus Contracting Fund \$'000						
2017														
Beginning of financial year		102,954	217,995	761,318	—	(10,550)	—	—	—	(10,550)	840	1,072,557		
Total comprehensive income for the year		—	—	(36,598)	(28,444)	(900)	—	—	—	(900)	—	(65,942)		
Net deficit for the financial year		—	—	—	—	—	—	—	—	—	572	572		
Other comprehensive income		—	—	—	—	—	—	—	—	—	—	—		
Total comprehensive (loss)/income for the year		—	—	(36,598)	(28,444)	(900)	—	—	—	(900)	572	(65,370)		
Transfer to Bus Replacement Fund		—	—	—	—	(40,802)	40,802	—	—	—	—	—		
Transaction with owners, recognised directly in equity														
Issue of shares	29	—	2,015,099	—	—	—	—	—	—	—	—	2,015,099		
Dividends paid	29	—	—	(1,174)	—	—	—	—	—	—	—	(1,174)		
Reimbursement by Ministry of Transport ("MOT") relating to dividends paid	29	—	—	941	—	—	—	—	—	—	—	941		
Total transaction with owners		—	2,015,099	(233)	—	—	—	—	—	—	—	2,014,866		
End of financial year		102,954	2,233,094	724,487	(28,444)	(52,252)	40,802	—	—	(11,450)	1,412	3,022,053		

The accompanying notes form an integral part of these consolidated financial statements.

LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2017

	Note	Capital account \$'000	Share capital \$'000	General fund \$'000 (Restated)	Accumulated Surplus							Total equity \$'000	
					Railway Sinking Fund \$'000	Bus		Replacement Fund \$'000	Bus Contracting		Sub- total \$'000		
						Operating Fund \$'000 (Restated)	Operating Fund \$'000		Other reserves \$'000	Other reserves \$'000			
Authority (continued)													
2016													
Beginning of financial year		102,954	106,933	726,436	-	-	-	-	-	-	(5,066)	931,257	
Total comprehensive income for the year													
Net surplus/(deficit) for the financial year		-	-	34,882	-	(10,550)	-	-	-	(10,550)	-	24,332	
Other comprehensive income		-	-	-	-	-	-	-	-	-	5,906	5,906	
Total comprehensive income/(loss) for the year		-	-	34,882	-	(10,550)	-	-	-	(10,550)	5,906	30,238	
Transaction with owners, recognised directly in equity													
Issue of shares	29	-	111,062	-	-	-	-	-	-	-	-	111,062	
Total transaction with owners		-	111,062	-	-	-	-	-	-	-	-	111,062	
End of financial year		102,954	217,995	761,318	-	(10,550)	-	-	-	(10,550)	840	1,072,557	

The accompanying notes form an integral part of these consolidated financial statements.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	Note	2017 \$'000	Group 2016 \$'000
Cash flows from operating activities			
Net (deficit)/surplus		(42,510)	31,798
Adjustments for:			
Bond interest expense		106,375	91,420
Depreciation of property, plant and equipment	20	837,422	635,394
Government grants		(1,231,050)	(773,847)
Income tax expense	8(a)	1,762	650
Interest income on bank deposits, dividend income and gains on investments (net)	6	(14,961)	(3,180)
Loss on disposal of property, plant and equipment		22,597	21,500
		(320,365)	3,735
Change in trade and other receivables		(285,751)	508,024
Change in inventories		77	(4,537)
Change in other current assets		(678)	1,853
Change in trade and other payables		(48,987)	264,110
Change in provision for pensions and gratuities		(3,496)	49
Cash (used in)/generated from operations		(659,200)	773,234
Income tax paid	8(b)	(749)	(1,097)
Net cash (used in)/from operating activities		(659,949)	772,137
Cash flows from investing activities			
Dividend received		679	1,322
Fund management fees paid		(278)	(568)
Interest received		9,678	11,369
Net receipts for sale and purchase of investments		44,084	6,667
Proceeds from disposal of property, plant and equipment		1,388	6
Purchase of property, plant and equipment		(6,651,546)	(5,526,831)
Net cash used in investing activities		(6,595,995)	(5,508,035)
Cash flows from financing activities			
Repayment of borrowings		(500,000)	(300,000)
Grants received from Government		6,658,850	5,084,590
Payment of bond interest		(114,625)	(90,127)
Dividend paid		(233)	—
Proceeds from cash held in trust		300,000	—
Discharged of pledged bank deposits		150	—
Proceeds from issuance of bonds		—	2,500,000
Proceeds from issuance of shares		1,267,017	111,062
Net cash from financing activities		7,611,159	7,305,525
Net increase in cash and cash equivalents		355,215	2,569,627
Cash and cash equivalents at beginning of financial year		4,272,983	1,703,356
Cash and cash equivalents at the end of financial year	9	4,628,198	4,272,983

The accompanying notes form an integral part of these consolidated financial statements.

LAND TRANSPORT AUTHORITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Land Transport Authority of Singapore (the "Authority") is a statutory board established in Singapore under the Land Transport Authority of Singapore Act (Cap.158A). It is domiciled in Singapore. The address of the Authority's head office is 1 Hampshire Road, Singapore 219428.

The primary activities of the Authority are:-

- (a) Acting as agent of the Government in the administration, assessment, collection and enforcement of various taxes, fees and charges and other services relating to land transportation;
- (b) Planning, design, construct, manage and maintain roads and related facilities;
- (c) Planning, design, construct, manage and maintain the rapid transit systems;
- (d) Regulates rapid transit and public bus services, which includes determining the service standards to be provided, exercising the licensing function, and the ownership and management of bus and rail operating assets;
- (e) Co-ordinating land transport services;
- (f) Advising the Government on matters relating to the land transport system in Singapore; and
- (g) Representing Singapore internationally in matters relating to land transport.

Ministry of Transport ("MOT") is the Authority's supervisory ministry. The Authority is required to follow the policies and instructions which are applicable to Statutory Boards issued from time to time by MOT and other government ministries and departments such as the Ministry of Finance ("MOF").

The principal activities of the subsidiaries are set out in Note 19 to the financial statements.

The Group operates in one main business segment, which is land transport and mainly in one geographical area, which is Singapore. Operating income is mainly attributable to Singapore. Non-current assets of the Group are also located in Singapore. Consequently, no segment information has been disclosed.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Land Transport Authority of Singapore Act (Cap. 158A) and Statutory Board Financial Reporting Standards ("SB-FRS") prepared under historical cost convention, except as disclosed in the accounting policies below.

LAND TRANSPORT AUTHORITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with SB-FRS requires the Group's management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Group adopted the new or amended SB-FRS and Interpretations to SB-FRS ("INT SB-FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SB-FRS and INT SB-FRS.

The adoption of these new or amended SB-FRS and INT SB-FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

- (a) Management fee from the Singapore Government relates to services and the functions and duties set out in the Agency Agreement. Management fee is recognised on an accrual basis when the services are rendered.
- (b) Bus fare revenue relates to bus fare collections from Bus Contracting Model (BCM) bus services. Under the BCM, operators will be paid a service fee to operate the bus services, while LTA will own all related operating assets including buses and lease them to the operators. LTA will also determine the bus services to be provided and set service standards. All bus fare revenue will be retained by LTA. Bus fare revenue are recognised at the point when the amount of apportioned fares can be measured reliably.
- (c) Bus & bus related lease income is recognised when the service is rendered.
- (d) Rapid Transit System license charge from the public transport operator is recognised when the right to receive payment is established.
- (e) Vehicle transit licensing fees and new motor vehicle registration fees are recognised when the service is rendered.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

- (f) Composition fines are recognised at the point of collection of the settlement.
- (g) Transit acquirer fees and Rapid Transit System licensing fees are recognised when the services are rendered.
- (h) Service contract revenue and contract costs are recognised as revenue and expenses, respectively, by reference to the stage of completion on contract activity at balance sheet date, when the outcome of services rendered can be estimated reliably.

Please refer to the paragraph "Contracts in progress" for the accounting policy for revenue from service contracts.
- (i) Revenue from sale of in-vehicle units is recognised when installed in vehicles and commissioned.
- (j) Revenue from sale of contactless smart cards is recognised when issued to customers.
- (k) Revenue from maintenance contracts is recognised over the contractual period, when the right to receive payment is established.
- (l) Interest income is recognised on a time proportion basis using the effective interest method.
- (m) Dividend income is recognised when the right to receive payment is established.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Authority. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisition

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to income or expenditure or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in income or expenditure.

Please refer to the paragraph "Investments in subsidiaries" for the accounting policy on investments in subsidiaries in the separate financial statements of the Authority.

(b) Transactions with non-controlling interests

Changes in the Authority's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Authority.

2.4 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.7).

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(a) Measurement (continued)

(ii) *Component of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price, capitalised borrowing cost and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve. The projected cost of dismantlement, removal or restoration is also recognised as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset for purpose other than to produce inventories.

Construction-in-progress is stated at cost, and comprises land costs, construction costs and development costs. Land costs include land acquisition, resettlement and clearance costs. Construction costs are recorded based on contract progress payments for certified works and services. Development costs include manpower costs and other construction overheads.

(b) Depreciation

Depreciation on items of property, plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land, viaducts and tunnels	99 years
Railway tracks*	25 – 99 years
Buildings and structures	25 – 99 years
Rolling stock	15 – 40 years
Operating equipment	7 – 50 years
Buses & bus related assets	3 – 17 years
Motor vehicles	5 – 10 years
Computers, furniture, fittings, and office equipment	3 – 10 years

* Included in railway tracks are timber & concrete sleepers and third rail systems that have useful lives of 25 to 50 years.

No depreciation is provided on construction-in-progress.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in income or expenditure for when the changes arise.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(c) Subsequent expenditure

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 associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in income or expenditure when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in income or expenditure.

2.5 Borrowing costs

Borrowing costs are recognised in income or expenditure using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development.

2.6 Investments in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses (Note 2.7) in the Authority's balance sheet. On disposal of an investment in subsidiary, the difference between disposal proceeds and the carrying amounts of the investments are recognised in income or expenditure.

2.7 Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.7 Impairment of non-financial assets (continued)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in income or expenditure.

An impairment loss for an asset other than goodwill is reversed 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in income or expenditure.

2.8 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through income or expenditure, and loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Financial assets, at fair value through profit or loss*

Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

Assets in this category are classified as current assets if they are expected to be realised within 12 months after the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.8 Financial assets (continued)

(b) Recognition and derecognition

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in income or expenditure.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets, at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets, at fair value through profit or loss are recognised immediately as expenses.

(d) Subsequent measurement

Financial assets, at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of financial assets, at fair value through profit or loss, including effects of currency translation, interest and dividends, are recognised in income or expenditure within "other gains and income – net" when the changes arise.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.8 Financial assets (continued)

(e) Impairment (continued)

The allowance for impairment loss account is reduced through income or expenditure in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

2.9 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in income or expenditure over the period of the borrowings using the effective interest method.

2.10 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.11 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as cash flow hedges.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in income or expenditure when the changes arise.

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.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.11 Derivative financial instruments and hedging activities (continued)

(a) Cash flow hedge

The Group has entered into foreign currency contracts that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the foreign currency contracts designated as cash flow hedges are recognised in the hedging reserve and transferred to the cost of hedged non-monetary asset upon acquisition.

The fair values changes on the ineffective portion of the foreign currency contracts are recognised immediately in income or expenditure. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to income or expenditure immediately.

(b) Derivatives that do not qualify for hedge accounting

External fund managers enter into derivative financial instruments on behalf of the Authority and these derivative financial instruments do not qualify for hedge accounting. Fair value changes for such derivative instruments that do not qualify for hedge accounting are included in income or expenditure in the financial year when the changes arise.

2.12 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flows analyses, are also used to determine the fair values of the financial instruments.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities or based on quoted market prices at the balance sheet date.

The fair values of foreign currency contracts are determined using actively quoted forward currency rates.

The fair values of current financial assets and liabilities, carried at amortised cost, approximate their fair values.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.13 Leases

(a) When the Group is the lessee:

The Group leases certain property, plant and equipment from third parties.

Leases of property, plant and equipment where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in income or expenditure on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in income or expenditure when incurred.

(b) When the Group is the lessor:

The Group leases out certain property, plant and equipment.

Leases of property, plant and equipment where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to lessees) is recognised in income or expenditure on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in income or expenditure over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in income or expenditure when earned.

2.14 Inventories

Finished goods comprise in-vehicle units to be fitted into vehicles, ez-link cards and contactless smart cards purchased by the Group during the year that are not yet issued to the public as at the balance sheet date. Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.15 Contracts in progress

Contracts in progress represent the 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.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a contract can be estimated reliably, contract revenue is recognised in income or expenditure in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

The stage of completion is assessed by reference to the proportion of contract costs incurred to date to the estimated total costs or cumulative actual man-hours incurred to estimated total man-hours for each contract. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in income or expenditure.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus representing amounts due from customers is shown as 'due from customers on contracts in progress' and included under 'trade and other receivables'. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus representing amounts due to customers is shown as 'due to customers on contracts in progress' and included under 'trade and other payables'. Amounts received before the related work is performed are shown as 'customer advances' and included under 'trade and other payables'. Retentions by customers are included under 'trade and other receivables'.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.16 Income taxes (continued)

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable income or expenditure at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (b) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in income or expenditure, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

LAND TRANSPORT AUTHORITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.18 Employee compensation

Employee benefits are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

(a) Central Provident Fund ("CPF") Contributions

Contributions on the Group's employees' salaries are made to the CPF as required by law. The CPF contributions are recognised as compensation expense in the period when the employees rendered their services.

(b) Pensions and gratuities

Provision for pensions and gratuities is made for the payment of retirement benefits to pensionable officers transferred to the Authority on 1 September 1995 and to expatriate officers who had opted for the gratuity scheme.

The cost of pension benefit due to pensionable officers is determined based on the estimated present value of the future cash outflows to be made in respect of services provided by these pensionable officers up to the balance sheet date.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.19 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Authority.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in income or expenditure, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in other comprehensive income in the consolidated financial statements and transferred to income or expenditure as part of the gain or loss on disposal of the foreign operation.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.19 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing rates at the date of the balance sheet;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in other comprehensive income.

2.20 Government grants

Government grants and external borrowings, in the form of unsecured bonds, finance the construction of the Authority's land transport infrastructure development projects.

Government grants received for the purchase or the construction of depreciable assets are accounted for as deferred capital grants. The deferred capital grants are amortised and charged to income or expenditure over the period necessary to match the annual depreciation charge of these assets or when the assets are disposed or written off. Where the grants relate to an expense item, it is recognised in income or expenditure when the expense is incurred over the periods necessary to match them on a systematic basis, to the costs, which it is intended to compensate.

Government grants are recognised where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with.

Government grants receivable for the interest payments of unsecured bonds is recognised on an accrual basis.

LAND TRANSPORT AUTHORITY OF SINGAPORE AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Significant accounting policies (continued)

2.21 Bus Service Enhancement Fund

The Bus Service Enhancement Fund was established in accordance to Section 13B of the Land Transport Authority of Singapore Act (Cap.158A) (the "Act"). The fund is ring-fenced for the specific purpose of improving and expanding the reliability of the bus services provided by bus service licensees and bus service operator licensees in Singapore. Receipts and expenditure relating to the fund are accounted for directly in this fund on an accrual basis. Details of receipts, expenditure, assets and liabilities are disclosed in Note 35.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.23 Dividends

Dividends to the Minister for Finance are recognised when the dividends are approved for payments.

3. Critical accounting estimates and assumptions

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.

Useful lives of property, plant and equipment

Property, plant and equipment ("PPE") are depreciated on a straight-line basis over their estimated useful lives. These include customised PPE which involve complex engineering and construction, and off-the-shelf PPE. The useful lives of the Group's PPE vary widely as disclosed in Note 2.4(b).

Due to the inherent nature of the customised PPE, significant judgment is required in determining if the customised PPE contain parts that have different useful lives. Given the significance of PPE to the Group's financial statements, errors in estimating the useful lives of PPE could result in a material misstatement to the financial statements.

As certain PPEs are funded by government grants, any misstatement in depreciation expense relating to these PPE would result in misstatement of the amortisation of the matching government grant in the Consolidated Statement of Comprehensive Income. As disclosed in the Consolidated Statement of Comprehensive Income, the depreciation expense of the Group amounted to \$837 million for the financial year ended 31 March 2017. Government grants amortised to match the depreciation expense of PPE funded by government grants amounted to \$692 million.

While there is no impact on the net deficit of the Group relating to the depreciation expense of PPE which are funded by government grants, the depreciation expense relating to PPE not funded by government grants amounted to \$145 million for the financial year ended 31 March 2017.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

4. Other operating income

	<u>Group</u>		<u>Authority</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<u>General fund</u>				
Vehicle transit licensing fees	42,511	39,325	42,511	39,325
Composition fines	27,080	29,126	27,080	29,126
Transit acquirer fees	50,729	45,919	3,783	2,482
New motor vehicle registration fees	16,815	13,643	16,815	13,643
Rapid Transit System licensing fees *	18,521	14,475	18,521	14,475
Administration fees	9,470	10,724	9,470	10,724
Sale of in-vehicle units	20,809	17,278	20,809	17,278
Sale of contactless smart cards	25,744	22,752	5,162	2,728
Maintenance and service project revenue	14,957	23,463	—	—
Others	86,574	29,851	72,182	24,743
	<u>313,210</u>	<u>246,556</u>	<u>216,333</u>	<u>154,524</u>
<u>Restricted fund – Bus Contracting</u>				
Others	9	—	9	—
	<u>313,219</u>	<u>246,556</u>	<u>216,342</u>	<u>154,524</u>

* Rapid Transit System licensing fees refer to the licence fees paid annually to the Authority from the operators of the Rapid Transit Systems.

The operators are required to operate and maintain the Rapid Transit System in accordance with the Operating Performance Standards and other train service guidelines as prescribed by the Authority, and other applicable laws and regulations as may be in force from time to time.

Upon expiration or cancellation of the licence, the operators are required to surrender all parts of the licensed Rapid Transit Systems owned by the Authority in a condition substantially similar to their state as at the date of the Agreement subject to reasonable wear and tear.

5. Employee compensation

	<u>Group</u>		<u>Authority</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	627,433	552,616	602,372	529,593
Employer's contribution to Central Provident Fund	73,337	61,709	70,395	59,000
Pensions and gratuities benefits	302	900	302	900
	<u>701,072</u>	<u>615,225</u>	<u>673,069</u>	<u>589,493</u>
Less: Employee compensation capitalised in property, plant and equipment	(349,169)	(313,190)	(349,169)	(313,190)
	<u>351,903</u>	<u>302,035</u>	<u>323,900</u>	<u>276,303</u>

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6. Other gains and income – net

	<u>Group</u>		<u>Authority</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<u>General fund</u>				
Interest income from deposits	9,565	7,244	6,702	4,743
Unrealised losses from financial assets, at fair value through profit or loss	(1,326)	(10,398)	(1,733)	(10,004)
Realised gains from financial assets, at fair value through profit or loss	2,571	2,650	2,854	2,490
Gross dividend income	646	1,336	579	1,331
Interest income from investment in debt securities	2,041	2,916	1,481	2,694
Less: Fund management expenses	(278)	(568)	(53)	(501)
	3,654	(4,064)	3,128	(3,990)
	<u>13,219</u>	<u>3,180</u>	<u>9,830</u>	<u>753</u>
<u>Restricted fund – Railway Sinking Fund</u>				
Interest income	287	-	287	-
<u>Restricted fund – Bus Contracting</u>				
Interest income	1,455	-	1,455	-
	<u>14,961</u>	<u>3,180</u>	<u>11,572</u>	<u>753</u>

7. Contribution to Consolidated Fund

The contribution to the Consolidated Fund is made in accordance with Section 3(a) of the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A). The Authority has \$67,682,000 (2016: \$1,920,000) of unutilised deficits to be carried forward to offset against future surpluses.

	<u>Group and Authority</u>	
	2017	2016
	\$'000	\$'000
(Deficit)/surplus of the Authority before contribution to Consolidated Fund and income tax	(65,942)	24,332
(Credit)/contribution to Consolidated Fund at 17%	(11,210)	4,136
Effects of:		
- Non-deductible donations	30	4
- Utilisation of previously unrecognised deferred benefits relating to unutilised deficits	-	(4,140)
- Unrecognised deferred benefits relating to unutilised deficits	11,180	-
	<u>-</u>	<u>-</u>

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8. Income taxes

(a) Income tax expense

	2017 \$'000	Group 2016 \$'000
Tax expense attributable to (deficit)/surplus is made up of:		
- Current income tax	2,611	1,021
- Deferred income tax	488	114
	<u>3,099</u>	<u>1,135</u>
Over provision in preceding financial years:		
- Current income tax	(603)	(485)
- Deferred income tax	(734)	—
	<u>1,762</u>	<u>650</u>

The tax on Group's (deficit)/surplus before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2017 \$'000	Group 2016 \$'000
(Deficit)/surplus before income tax	<u>(40,748)</u>	<u>32,448</u>
Tax calculated at a tax rate of 17% (2016: 17%)	(6,927)	5,516
Effects of:		
- Deficit/(surplus) of the Authority exempted from income tax	11,210	(4,136)
- Income not subject to tax	(958)	(52)
- Expenses not deductible for tax purposes	2	1,166
- Utilisation of previously unrecognised deferred tax assets	(4)	(341)
- Tax incentives	(230)	(1,001)
- Deferred tax assets not recognised	6	10
- Over provision in preceding financial years	(1,337)	(485)
- Others	—	(27)
	<u>1,762</u>	<u>650</u>

(b) Movements in current income tax liabilities

	2017 \$'000	Group 2016 \$'000
Beginning of financial year	1,351	1,912
Income tax paid, net of refund	(749)	(1,097)
Tax expense	2,611	1,021
Over provision in preceding financial years	(603)	(485)
End of financial year	<u>2,610</u>	<u>1,351</u>

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9. Cash and cash equivalents

	<u>Group</u>		<u>Authority</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	134,179	43,959	27,442	2,593
Short-term bank deposits	47,168	99,617	—	—
Cash held in trust [Note 9(a)]	—	300,000	—	300,000
Deposits placed with Accountant-General's Department [Note 9(b)]	4,446,106	4,037,445	4,446,106	4,037,445
Cash at bank managed by fund managers (Note 15)	325	7,896	—	5,651
Short-term bank deposits managed by fund managers (Note 15)	—	48,295	—	48,295
Short-term bills managed by fund managers (Note 15)	2,995	38,496	—	37,497
	<u>4,630,773</u>	<u>4,575,708</u>	<u>4,473,548</u>	<u>4,431,481</u>
Cash at bank (refundable card proceeds)	179,313	173,090	41,803	40,513
Less: Amount due to cardholders	<u>(179,313)</u>	<u>(173,090)</u>	<u>(41,803)</u>	<u>(40,513)</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Cash at bank (refundable card proceeds) comprises the following:

	<u>Group</u>		<u>Authority</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Refundable card proceeds [Note 9(c)]	169,109	170,134	41,803	40,513
Clearing account [Note 9(d)]	10,204	2,956	—	—
	<u>179,313</u>	<u>173,090</u>	<u>41,803</u>	<u>40,513</u>

- (a) Cash held in trust relates to grants of \$Nil (2016: \$300,000,000) received in advance specifically for future redemption of bonds. The cash was held by Accountant-General's Department ("AGD") in trust for the Authority at 31 March 2016.
- (b) Deposits placed with AGD comprise balances of \$4,446,106,000 (2016: \$4,037,445,000) which are centrally managed by AGD under the Centralised Liquidity Management Framework ("CLM").
- (c) Refundable card proceeds relate to the stored value on the contactless smart cards issued. These balances are held by a subsidiary as the approved holder under the Payment Systems (Oversight) Act 2006. These proceeds are maintained separately in Card Proceeds bank accounts and are refundable to cardholders subject to terms and conditions.
- (d) The clearing bank account balance relates to transitory bank balance to facilitate clearing and settlement of transactions due to timing differences and stored value of contactless smart cards that have expired more than 2 years.

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9. Cash and cash equivalents (continued)

For the purposes of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	2017	Group	2016
	\$'000		\$'000
Cash and bank balances (as above)	4,630,773		4,575,708
Less: Fixed deposit pledged to a bank	(2,575)		(2,725)
Less: Cash held in trust by AGD	–		(300,000)
	4,628,198		4,272,983

A fixed deposit of \$2,575,000 (2016: \$2,725,000) has been pledged to a bank for the issue of letters of guarantee to customers.

10. Trade and other receivables – current

	2017	Group	2016	Authority	2017	2016
	\$'000		\$'000		\$'000	\$'000
			(Restated)			(Restated)
Due from subsidiaries	–		–		10,931	244
Due from Government	602,167		191,094		602,167	191,094
Other receivables*	114,815		433,135		100,803	415,941
Trade receivables	26,687		16,415		–	–
Less: Allowance for impairment of trade receivables	(37)		(117)		–	–
	26,650		16,298		–	–
GST receivables	97,373		2,562		98,357	3,118
Advances to contractors	250,008		138,767		250,008	138,767
Advances to agent	1,143		20,355		1,143	20,355
Advances due from Government (Note 11)	–		74,259		–	74,259
Grants receivable from Government (Note 12)	134,205		435,902		134,205	435,902
Receivables from investments (Note 15)	11		20,876		11	20,876
Accrued interest and dividend receivable	36,790		21,119		35,756	26,634
Due from customers on contracts in progress (Note 14)	1,184		1,381		–	–
Retentions on contracts in progress (Note 14)	56		131		–	–
	1,264,402		1,355,879		1,233,381	1,327,190

* Included in other receivables as at 31 March 2016 was an amount of \$341,457,000 receivable from a public transport operator ("PTO") for the purchase of train fleet paid by the Authority on behalf of the PTO.

During the financial year, the Inland Revenue Authority of Singapore has notified the Authority that it is reviewing the Authority's GST input tax claims relating to the bus contracting and rail operations. At 31 March 2017, GST receivables have been recorded on the basis that 100% of the amount would be claimable based on management's best estimate.

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11. Advances due to/(from) Government

	<u>Group and Authority</u>	
	2017	2016
	\$'000	\$'000
Beginning of financial year	(74,259)	(128,154)
Amount received during the financial year	1,259,967	886,220
Amount utilised during the financial year	(1,080,489)	(832,325)
End of financial year	105,219	(74,259)

In the Authority's role as an agent to the Government, it manages projects relating to construction of roads, road-related infrastructure and government buildings on behalf of the Government. Such assets do not form part of the assets of the Authority. Funds are received on a monthly basis from the Government for payments relating to these projects.

12. Grants receivable from Government

	<u>Group and Authority</u>	
	2017	2016
	\$'000	\$'000
		(Restated)
Beginning of financial year	435,902	(269,255)
Grants received from Government	(6,172,018)	(4,666,047)
Amount converted to share capital	396,236	—
Grants utilised and transferred to deferred capital grants (Note 27)	5,474,085	5,371,204
End of financial year	134,205	435,902

Grants are received from the Government for the construction of the Rapid Transit Systems, and the development and purchase of depreciable assets. Grants utilised and transferred to deferred capital grants comprise primarily of amounts incurred for the construction of rails and rail-related assets.

13. Inventories

	<u>Group</u>		<u>Authority</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Finished goods	15,972	16,049	15,032	14,295

The cost of inventories recognised as an expense in income or expenditure amounted to \$28,499,000 (2016: \$27,314,000).

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14. Contracts in progress

	<u>Group</u>	
	2017 \$'000	2016 \$'000
Aggregate contract costs incurred and profits recognised (less losses recognised) to date on uncompleted contracts in progress	10,432	48,846
Less: Progress billings	(10,691)	(50,429)
	<u>(259)</u>	<u>(1,583)</u>
Presented as:		
Due from customers on contracts in progress (Note 10)	1,184	1,381
Due to customers on contracts in progress (Note 22)	(1,443)	(2,964)
	<u>(259)</u>	<u>(1,583)</u>
Retentions on contracts in progress (Note 10)	56	131

15. Financial assets, at fair value through profit or loss

	<u>Group</u>		<u>Authority</u>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assets designated as fair value through profit or loss at inception				
- Quoted equity securities	16,559	29,199	13,808	27,488
- Quoted debt securities	68,326	80,541	44,244	55,070
- Unquoted debt securities	–	14,955	–	14,955
	<u>84,885</u>	<u>124,695</u>	<u>58,052</u>	<u>97,513</u>
Represented by:				
- Internally managed	58,052	52,239	58,052	52,239
- Externally managed	26,833	72,456	–	45,274
	<u>84,885</u>	<u>124,695</u>	<u>58,052</u>	<u>97,513</u>

Financial assets, at fair value through profit or loss were denominated in the following currencies:

	<u>Group</u>		<u>Authority</u>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
United States Dollar	15,731	49,728	–	32,631
Singapore Dollar	66,740	64,029	58,052	55,053
Euro	92	3,362	–	2,701
Others	2,322	7,576	–	7,128
	<u>84,885</u>	<u>124,695</u>	<u>58,052</u>	<u>97,513</u>

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15. Financial assets, at fair value through profit or loss (continued)

The externally managed portfolios are managed by a professional fund manager who is given discretionary powers within certain guidelines to invest the funds. These are represented by the following:

	<u>Group</u>		<u>Authority</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Financial assets, at fair value through profit or loss				
- Quoted equity securities	2,751	16,269	—	14,558
- Quoted debt securities	24,082	41,232	—	15,761
- Unquoted debt securities	—	14,955	—	14,955
	<u>26,833</u>	<u>72,456</u>	<u>—</u>	<u>45,274</u>
Other assets/(liabilities)*:				
- Foreign currency contracts				
- Assets (Note 17)	363	3,531	—	3,115
- Liabilities (Note 17)	(86)	(224)	—	(221)
- Cash at bank (Note 9)	325	7,896	—	5,651
- Short-term bank deposits (Note 9)	—	48,295	—	48,295
- Short-term bills (Note 9)	2,995	38,496	—	37,497
- Receivables from investments (Note 10)	11	20,876	11	20,876
- Accrued interest and dividend receivables	188	770	—	584
- Accrued expenses	—	(108)	—	(108)
- Payables on investments (Note 22)	(176)	(1,102)	—	—
	<u>30,453</u>	<u>190,886</u>	<u>11</u>	<u>160,963</u>

* These items have been included in the respective current assets and liabilities categories in the balance sheet.

16. Other current assets

	<u>Group</u>		<u>Authority</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Deposits	1,778	2,784	1,078	1,867
Prepayments	18,580	16,896	16,189	15,888
	<u>20,358</u>	<u>19,680</u>	<u>17,267</u>	<u>17,755</u>

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17. Derivative financial instruments

	Contract/ Notional Amount \$'000	<u>Group</u>	
		Fair value	
		Assets \$'000	Liabilities \$'000
2017			
<i>Cash-flow hedges</i>			
- Foreign currency contracts	95,355	3,980	(2,568)
<i>Non-hedging instruments</i>			
- Foreign currency contracts (Note 15)	27,438	363	(86)
Total		4,343	(2,654)
Less: Current portion		1,293	(1,566)
Non-current portion		3,050	(1,088)
2016			
<i>Cash-flow hedges</i>			
- Foreign currency contracts	120,696	4,293	(3,453)
<i>Non-hedging instruments</i>			
- Foreign currency contracts (Note 15)	120,113	3,531	(224)
Total		7,824	(3,677)
Less: Current portion		4,864	(2,716)
Non-current portion		2,960	(961)
	Contract/ Notional Amount \$'000	<u>Authority</u>	
		Fair value	
		Assets \$'000	Liabilities \$'000
2017			
<i>Cash-flow hedges</i>			
- Foreign currency contracts	95,355	3,980	(2,568)
Total		3,980	(2,568)
Less: Current portion		930	(1,480)
Non-current portion		3,050	(1,088)
2016			
<i>Cash-flow hedges</i>			
- Foreign currency contracts	120,696	4,293	(3,453)
<i>Non-hedging instruments</i>			
- Foreign currency contracts (Note 15)	102,935	3,115	(221)
Total		7,408	(3,674)
Less: Current portion		4,448	(2,713)
Non-current portion		2,960	(961)

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17. Derivative financial instruments (continued)

Foreign currency contracts are entered to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates. The foreign currency contracts have maturity dates that coincide with the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve are transferred to the cost of hedged non-monetary asset upon acquisition.

18. Long-term grants received in advance

Certain land transport infrastructure development projects of the Authority are funded by external borrowings in the form of unsecured bonds issued by the Authority. The principal repayments of these unsecured bonds upon maturity, including interest on the unsecured bonds, are fully funded by Government grants.

	Group and Authority	
	2017	2016
	\$'000	\$'000
Beginning of financial year	1,106,617	882,656
Long-term grants received	200,000	300,000
	1,306,617	1,182,656
Less: Amortisation to income or expenditure	(75,652)	(76,039)
End of financial year	1,230,965	1,106,617
 Total cumulative long-term grants received for bond redemption	 2,400,000	 2,200,000
 Included in:		
Current liabilities	74,820	75,600
Non-current liabilities	1,156,145	1,031,017
	1,230,965	1,106,617

During the financial year, the Authority received \$200,000,000 (2016: \$300,000,000) to fund the redemption of the unsecured bonds (Note 24). \$Nil (2016: \$300,000,000) was held in trust by AGD (Note 9).

The long-term grants received in advance as at the balance sheet date, which is denominated in Singapore Dollars, represents the funds received from the Government, offset by net book value of retired assets, non-capitalisable amounts charged to income or expenditure, and cumulative depreciation of the assets funded by the proceeds from the unsecured bonds. Funds will be received from the Government as and when each tranche of the unsecured bonds are due for repayment.

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19. Investments in subsidiaries

	<u>Authority</u>	
	2017	2016
	\$'000	\$'000
Equity investment at cost		
Beginning and end of financial year	18,502	18,502

The following are the subsidiaries as at 31 March 2017:

	<u>Name of subsidiary</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Equity holding</u>		<u>Cost of investment</u>	
				2017 %	2016 %	2017 \$'000	2016 \$'000
	Held by the Authority						
(1)	MSI Global Private Limited	Provision of consultancy services and development of and/or operations of electronic services related to land transport	Singapore	100	100	500	500
(1)	EZ-Link Pte Ltd	Provision, development and management of the multi-purpose stored value smart card service business and the usage of the stored value smart card in Singapore	Singapore	100	100	14,539	14,539
(1)	Transit Link Pte Ltd	Provision of services connected with the carriage of goods and passengers in public conveyances and managing agent for the EZ link cards	Singapore	100	100	3,463	3,463
						<u>18,502</u>	<u>18,502</u>
	Subsidiary of MSI Global Private Limited						
(2)	MSI (Shanghai) Engineering Consultancy Private Limited	Provision of consultancy services and development of and/or operations of electronic services related to land transport	People's Republic of China	100	100	— (3)	— (3)

(1) Audited by PricewaterhouseCoopers LLP, Singapore.

(2) Financial year end of 31 December. Audited by Shanghai Hui Hong Certified Public Accountants Co., Ltd.

(3) Held through a subsidiary.

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20. Property, plant and equipment

Group	Leasehold land \$'000	Viaducts and tunnels \$'000	Railway tracks \$'000	Buildings and structures \$'000	Rolling stock \$'000	Operating equipment \$'000	Buses & bus related assets \$'000	Computers \$'000	Motor vehicles \$'000	Furniture, fittings, and office equipment \$'000	Construction-in-progress \$'000	Total \$'000
2017												
<i>Cost</i>												
Beginning of financial year	2,042,953	8,790,112	1,351,303	11,833,452	1,911,810	4,732,644	160,863	216,446	10,975	43,008	11,915,203	43,008,769
Cost adjustments	-	-	-	-	-	(2)	2	-	-	-	-	-
Additions	-	-	-	4,340	662,522	188,736	351,899	1,440	-	116	6,327,025	7,536,078
Reclassification	-	-	-	(5)	-	(851)	1,219	(363)	-	-	-	-
Transferred from construction-in-progress	243,496	58,761	225,711	415,794	256,428	275,307	259,547	55,476	86	16,632	(1,807,238)	-
Disposals	-	-	(88,509)	(3)	-	(28,242)	(2)	(11,637)	(89)	(635)	-	(129,147)
End of financial year	2,286,449	8,848,873	1,488,505	12,253,578	2,830,760	5,167,592	773,528	261,332	10,972	59,121	16,434,990	50,415,700
<i>Accumulated depreciation</i>												
Beginning of financial year	287,819	758,782	199,957	2,038,147	507,238	1,820,540	27,002	179,164	5,585	31,854	-	5,868,088
Depreciation charge	23,215	88,921	45,192	166,063	142,186	290,720	49,939	25,312	980	4,894	-	837,422
Reclassification	-	-	-	(5)	-	(338)	482	(139)	-	-	-	-
Disposals	-	-	(67,377)	(3)	-	(25,405)	(2)	(11,656)	(86)	(633)	-	(105,162)
End of financial year	311,034	847,703	177,772	2,204,202	649,424	2,085,517	77,421	192,681	6,479	36,115	-	6,588,348
Net book value at 31 March 2017	1,975,415	8,001,170	1,310,733	10,049,376	2,181,336	3,082,075	696,107	68,651	4,493	23,006	16,434,990	43,827,352

During the financial year ended 31 March 2017, interest cost of the Authority and the Group amounting to \$Nil (2016: \$1,658,000) was capitalised as construction-in-progress at rates ranging from Nil% to Nil% (2016: 1.675% to 2.710%) per annum.

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20. Property, plant and equipment (continued)

	Leasehold land \$'000	Viaducts and tunnels \$'000	Railway tracks \$'000	Buildings and structures \$'000	Rolling stock \$'000	Operating equipment \$'000	Buses & bus related assets \$'000	Computers \$'000	Motor vehicles \$'000	Furniture, fittings, and office equipment \$'000	Construction- in-progress \$'000	Total \$'000
Group (continued)												
2016												
Cost												
Beginning of financial year	1,815,000	6,848,382	1,064,342	8,858,317	1,304,432	3,531,844	69,813	202,926	10,598	42,688	13,394,631	37,542,973
Cost adjustments	—	25,251	—	(25,282)	(29)	45	—	—	—	4	—	(11)
Additions	—	—	—	41	—	655	91,050	1,135	—	207	5,435,401	5,528,489
Transferred from construction-in-progress	227,953	1,916,479	307,522	3,012,586	607,407	810,795	—	29,869	459	1,759	(6,914,829)	—
Disposals	—	—	(20,561)	(12,210)	—	(10,695)	—	(17,484)	(82)	(1,650)	—	(62,682)
End of financial year	2,042,953	8,790,112	1,351,303	11,833,452	1,911,810	4,732,644	160,863	216,446	10,975	43,008	11,915,203	43,008,769
Accumulated depreciation												
Beginning of financial year	267,248	683,100	163,066	1,900,237	433,902	1,594,849	14,944	170,235	4,680	29,609	—	5,261,870
Depreciation charge	20,571	75,682	47,864	139,746	73,336	234,846	12,058	26,413	987	3,891	—	635,394
Disposals	—	—	(10,973)	(1,836)	—	(9,155)	—	(17,484)	(82)	(1,646)	—	(41,176)
End of financial year	287,819	758,782	199,957	2,038,147	507,238	1,820,540	27,002	179,164	5,585	31,854	—	5,856,088
Net book value at 31 March 2016	1,755,134	8,031,330	1,151,346	9,795,305	1,404,572	2,912,104	133,861	37,282	5,390	11,154	11,915,203	37,152,681

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20. Property, plant and equipment (continued)

Authority	Leasehold land \$'000	Viaducts and tunnels \$'000	Railway tracks \$'000	Buildings and structures \$'000	Rolling stock \$'000	Operating equipment \$'000	Buses & bus related assets \$'000	Computers \$'000	Motor vehicles \$'000	Furniture, fittings, and office equipment \$'000	Construction- in-progress \$'000	Total \$'000
2017												
Cost												
Beginning of financial year	2,042,953	8,790,112	1,351,303	11,833,238	1,911,810	4,730,527	160,863	209,100	11,101	40,540	11,909,904	42,991,451
Cost adjustments	-	-	-	-	-	(2)	2	-	-	-	-	-
Additions	-	-	-	4,325	662,522	181,186	351,899	518	-	30	6,326,893	7,527,373
Reclassification	-	-	-	(5)	-	(851)	1,219	(363)	-	-	-	-
Transferred from construction-in-progress	243,496	58,761	225,711	415,794	256,428	269,889	259,547	55,463	86	16,632	(1,801,807)	-
Disposals	-	-	(88,508)	-	-	(26,258)	(2)	(10,714)	(83)	(585)	-	(126,167)
End of financial year	2,286,449	8,848,873	1,488,505	12,253,352	2,830,760	5,154,491	773,528	254,004	11,098	56,607	16,434,990	50,392,657
Accumulated depreciation												
Beginning of financial year	287,819	758,782	199,957	2,038,101	507,238	1,820,049	27,002	173,521	5,725	30,416	-	5,848,610
Depreciation charge	23,215	88,921	45,192	166,018	142,186	287,984	49,939	24,002	969	4,327	-	832,753
Reclassification	-	-	-	(5)	-	(338)	482	(139)	-	-	-	-
Disposals	-	-	(67,377)	-	-	(24,770)	(2)	(10,713)	(86)	(593)	-	(103,541)
End of financial year	311,034	847,703	177,772	2,204,114	649,424	2,082,925	77,421	186,671	6,608	34,150	-	6,577,822
Net book value at 31 March 2017	1,975,415	8,001,170	1,310,733	10,049,238	2,181,336	3,071,566	696,107	67,333	4,490	22,457	16,434,990	43,814,835

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20. Property, plant and equipment (continued)

	Leasehold land \$'000	Viaducts and tunnels \$'000	Railway tracks \$'000	Buildings and structures \$'000	Rolling stock \$'000	Operating equipment \$'000	Buses & bus related assets \$'000	Computers \$'000	Motor vehicles \$'000	Furniture, fittings, and office equipment \$'000	Construction- in-progress \$'000	Total \$'000
Authority (continued)												
2016												
Cost												
Beginning of financial year	1,815,000	6,848,382	1,064,342	8,858,096	1,304,432	3,931,149	69,813	195,866	10,724	40,173	13,394,662	37,532,639
Cost adjustments	—	25,251	—	(25,282)	(29)	45	—	—	—	4	—	(11)
Additions	—	—	—	—	—	—	91,050	429	—	159	5,429,147	5,520,785
Transferred from construction-in-progress	227,953	1,916,479	307,522	3,012,586	607,407	809,871	—	29,869	459	1,759	(6,913,905)	—
Disposals	—	—	(20,561)	(12,162)	—	(10,538)	—	(17,064)	(82)	(1,555)	—	(61,962)
End of financial year	2,042,953	8,790,112	1,351,303	11,833,238	1,911,810	4,730,527	160,863	209,100	11,101	40,540	11,909,904	42,991,451
Accumulated depreciation												
Beginning of financial year	267,248	683,100	163,066	1,900,189	433,902	1,594,362	14,944	165,855	4,831	28,620	—	5,256,117
Depreciation charge	20,571	75,682	47,864	139,702	73,336	234,686	12,058	24,730	976	3,347	—	632,952
Disposals	—	—	(10,973)	(1,790)	—	(8,999)	—	(17,064)	(82)	(1,551)	—	(40,459)
End of financial year	287,819	758,782	199,957	2,038,101	507,238	1,820,049	27,002	173,521	5,725	30,416	—	5,848,610
Net book value at 31 March 2016	1,755,134	8,031,330	1,151,346	9,795,137	1,404,572	2,910,478	133,861	35,579	5,376	10,124	11,909,904	37,142,841

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21. Other non-current asset

Other non-current asset comprises of granite aggregates purchased as part of the Authority's long-term plan to build up and maintain a strategic and long term static stockpile for roadworks.

22. Trade and other payables – current

	<u>Group</u>		<u>Authority</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Due to subsidiaries	—	—	24	2,935
Trade and other payables	1,354,781	1,314,058	1,306,035	1,258,321
Advances due to Government (Note 11)	105,219	—	105,219	—
Payables to Government	36,498	24,098	36,498	24,098
Retention monies due to contractors	93,916	139,968	93,916	139,968
Deposits	54,167	43,883	52,435	41,889
Accrual of annual leave	24,709	24,010	23,507	23,048
Payables on investment (Note 15)	176	1,102	—	—
Due to customers on contracts in progress (Note 14)	1,443	2,964	—	—
	<u>1,670,909</u>	<u>1,550,083</u>	<u>1,617,634</u>	<u>1,490,259</u>

23. Provision for pensions and gratuities

	<u>Group and Authority</u>	
	2017	2016
	\$'000	\$'000
Beginning of financial year	12,631	12,582
Provision made	302	900
Provision utilised	(3,798)	(851)
End of financial year	<u>9,135</u>	<u>12,631</u>
Amount payable within one year	7,761	11,127
Amount payable after one year	<u>1,374</u>	<u>1,504</u>
	<u>9,135</u>	<u>12,631</u>

The pension obligation is calculated using the projected salary increment of minimum 1.5% (2016: 1.50%), expected retirement age at 59 years (2016: 58 years) and life expectancy of up to 82 years (2016: 82 years). The computed pension obligation is discounted to the present value using discount rates of 1.76% for below and 1.02% for above 55 years old (2016: 1.45% for below and 0.95% for above 55 years old) which are based on the market yields on government bonds.

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24. Borrowings

These comprise unsecured bonds issued with interest payable on a semi-annual basis and the details are as follows:

<u>Group and Authority</u>		<u>Coupon rate</u>	<u>Issue date</u>	<u>Tenure</u>	<u>Maturity</u>
<u>Principal</u>					
2017	2016				
\$	\$	%			
—	500,000,000	4.170	10 May 2001	15 years	10 May 2016
200,000,000	200,000,000	2.900	19 June 2003	20 years	19 June 2023
275,000,000	275,000,000	2.710	27 May 2010	10 years	27 May 2020
500,000,000	500,000,000	3.275	29 Oct 2010	15 years	29 Oct 2025
600,000,000	600,000,000	2.570	31 Aug 2015	7 years	31 Aug 2022
600,000,000	600,000,000	3.090	31 Aug 2015	12 years	31 Aug 2027
650,000,000	650,000,000	2.730	18 Sep 2015	5 years	18 Sep 2020
650,000,000	650,000,000	3.510	18 Sep 2015	15 years	18 Sep 2030
<u>3,475,000,000</u>	<u>3,975,000,000</u>				

<u>Group and Authority</u>	
2017	2016
\$'000	\$'000
—	500,000
<u>3,475,000</u>	<u>3,475,000</u>
<u>3,475,000</u>	<u>3,975,000</u>

Amount payable within one year
Amount payable after one year

Fair value of borrowings

Unsecured bonds	<u>3,641,540</u>	<u>4,198,054</u>
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The fair values above were based on quoted market ask prices at the balance sheet date.

25. Trade and other payables – non-current

	<u>Group and Authority</u>	
	2017	2016
	\$'000	\$'000
Retention monies due to contractors	216,311	194,574

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26. Deferred income tax (assets)/liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	<u>Group</u>
	2017 \$'000
Deferred income tax assets	
- To be recovered within one year	(12)
Deferred income tax liabilities	
- To be settled within one year	576

Movements in deferred income tax assets and liabilities, prior to offsetting, are as follows:

	At 1 April 2015 \$'000	Charged/(credited) to statement of comprehensive income [Note 8(a)] \$'000	At 31 March 2016 \$'000	Charged/(credited) to statement of comprehensive income [Note 8(a)] \$'000	At 31 March 2017 \$'000
Deferred tax liabilities/(assets)					
Property, plant and equipment	672	106	778	158	936
Accrued interest	42	10	52	12	64
Provisions	(18)	(2)	(20)	(416)	(436)
	696	114	810	(246)	564

27. Deferred capital grants

	<u>Group</u>		<u>Authority</u>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Beginning of financial year	35,200,775	30,405,882	35,215,314	30,420,421
Capital grants received and utilised (Note 12)	5,474,085	5,371,204	5,474,085	5,371,204
Grants received for bond interest cost capitalised in property, plant and equipment (Note 20)	—	1,658	—	1,658
	40,674,860	35,778,744	40,689,399	35,793,283
Less: Amortisation to income or expenditure	(614,827)	(577,969)	(614,827)	(577,969)
End of financial year	40,060,033	35,200,775	40,074,572	35,215,314
Total grants received and utilised since establishment of the Authority	47,094,631	41,620,546	47,094,631	41,620,546

Deferred capital grants are government grants received mainly for the purchase or the construction of depreciable assets. These grants will be amortised to income or expenditure over the useful lives of the related assets.

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28. Capital account

The capital account comprises the net book value of property, plant and equipment transferred from the Roads and Transportation Division of the former Public Works Department, the Land Transport Division of the former Ministry of Communications and the then Registry of Vehicles.

29. Share capital and dividends

(a) Share capital

The Authority's share capital comprises 2,233,093,668 (2016: 217,994,836) fully paid shares amounting to a total of \$2,233,093,668 (2016: \$217,994,836).

During the current financial year, the Authority issued 2,015,098,832 (2016: 111,061,530) fully paid shares to the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation) Act (Chapter 183). The shares carry neither voting rights nor par value.

(b) Dividends

	<u>Group and Authority</u>	
	<u>2017</u>	<u>2016</u>
	<u>\$'000</u>	<u>\$'000</u>
<i>Ordinary dividends paid</i>		
Final dividend paid in respect of financial year ended		
31 March 2017 is 0.01 cents per share	<u>1,174</u>	<u>—</u>

At the 236th Board Meeting on 26 January 2017, a final dividend of 0.01 cents per share amounting to a total of \$1,174,000 was declared and paid in 2017.

Out of the total dividends declared and paid, \$941,000 was reimbursed by the Ministry of Transport and reflected in the Consolidated Statement of Changes in Equity of the Group and the Statement of Changes in Equity of the Authority.

30. Accumulated surplus/(deficit)

(a) General fund

As at 31 March 2017, a portion of the Authority's surplus has been earmarked for return to MOF. The remaining surplus would be used to fund specific initiatives or projects and for working capital purposes.

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30. Accumulated surplus/(deficit) (continued)

(b) Restricted fund – Railway Sinking Fund

The Railway Sinking Fund is established under Section 13A of the Land Transport Authority of Singapore Act (Cap.158A). The Railway Sinking Fund is ring-fenced for the purposes defined under the Land Transport Authority of Singapore Act, primarily to meet expenditure for the cost (or part thereof) of any capital equipment including new works, plant, equipment, trains, vessels or appliances related to the operation and maintenance of the railway network under the Rapid Transit Systems Act (Cap.263A).

The fund is accounted for as follows:

	<u>Group and Authority</u>
	2017
	\$'000
Net deficit for the year	(28,444)
Accumulated losses carried forward	<u>(28,444)</u>
Represented by:	
Property, plant and equipment	1,290,505
Cash and cash equivalents	153,466
Trade and other receivables	93,376
Trade and other payables	(203,295)
Share capital	<u>(1,362,496)</u>
	<u>(28,444)</u>

Movement in the Railway Sinking Fund's available balance in accordance with the provisions of Section 13A of the Land Transport Authority of Singapore Act is as follows:

	<u>Group and Authority</u>
	2017
	\$'000
Beginning of financial year	–
Add:	
Issuance of shares	1,362,496
Licence charge	33,346
Interest income	287
Less:	
Acquisition of property, plant and equipment	(1,352,576)
Other expenses	(6)
End of financial year	<u>43,547</u>
Represented by:	
Cash and cash equivalents	153,466
Trade and other receivables	93,376
Trade and other payables	<u>(203,295)</u>
	<u>43,547</u>

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30. Accumulated surplus/(deficit) (continued)

(c) Restricted fund – Bus Contracting

(i) Bus Operating Fund

During the year, the bus industry in Singapore transitioned into the Bus Contracting Model (BCM). Under BCM, the Authority will collect all fare revenue and pay the public bus operators a service fee for the provision of bus services. As at 31 March 2017, two tendered bus packages were awarded and operated by Tower Transit Singapore Pte Ltd and Go-Ahead Loyang Pte Ltd. The remaining twelve bus packages were negotiated and operated by SBST Transit Ltd and SMRT Buses Ltd.

The fund is accounted for as follows:

	<u>Group and Authority</u>	
	2017	2016
	\$'000	\$'000
Net deficit for the year	(900)	(10,550)
Accumulated deficit brought forward	(10,550)	–
Transfer to Bus Replacement Fund	(40,802)	–
Accumulated deficit carried forward	(52,252)	(10,550)
Represented by:		
Property, plant and equipment	774,628	186,802
Cash and cash equivalents	89,076	7,160
Trade and other receivables	310,511	3,845
Trade and other payables	(400,841)	(59,117)
Deferred capital grant	(46,773)	–
Share capital	(778,853)	(149,240)
	(52,252)	(10,550)

(ii) Bus Replacement Fund

The bus & bus related lease income received under Bus Contracting and the interest earned from the accumulation of bus & bus related lease income will be used to fund future bus & related operating assets renewal and comprised the following:

	<u>Group and Authority</u>	
	2017	
	\$'000	
Bus & bus related lease income	40,704	
Interest income	98	
Total income for the year	40,802	
Represented by:		
Cash and cash equivalents	23,205	
Trade and other receivables	17,597	
	40,802	

Prior comparative information has been restated to reflect the grants, expenses and equity relating to BCM as a restricted fund.

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31. Other reserves

	<u>Group</u>		<u>Authority</u>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(a) <u>Composition:</u>				
Hedging reserve	1,412	840	1,412	840
Currency translation reserve	(16)	6	—	—
	<u>1,396</u>	<u>846</u>	<u>1,412</u>	<u>840</u>
(b) <u>Movements:</u>				
Hedging reserve				
Beginning of financial year	840	(5,066)	840	(5,066)
Net movement in cash flow hedges	572	5,906	572	5,906
End of financial year	<u>1,412</u>	<u>840</u>	<u>1,412</u>	<u>840</u>
Currency translation reserve				
Beginning of financial year	6	61	—	—
Net currency translation differences of financial statements of foreign subsidiary	(22)	(55)	—	—
End of financial year	<u>(16)</u>	<u>6</u>	<u>—</u>	<u>—</u>

Other reserves are non-distributable.

32. Commitments and other matters

(a) Capital commitments

Capital expenditures approved and/or contracted for property, plant and equipment at the balance sheet date but not recognised in the financial statements are analysed as follows:

	<u>Group and Authority</u>	
	2017 \$'000	2016 \$'000
Amounts approved and contracted for	<u>12,907,600</u>	<u>10,874,730</u>

(b) Operating lease commitments

The future aggregate minimum lease payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	<u>Group</u>		<u>Authority</u>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Not later than one year	9,769	11,536	7,962	9,348
Between one and five years	2,120	11,494	1,341	9,289
	<u>11,889</u>	<u>23,030</u>	<u>9,303</u>	<u>18,637</u>

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33. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses derivative financial instruments such as foreign currency contracts to manage certain financial risk exposures. Derivatives are used strictly for risk management purposes and they are designated as fair value through profit or loss at inception unless they are designated as hedging instruments.

Risk management is carried out under policies approved by the management. The management approves guidelines for overall risk management, as well as policies covering these specific areas, such as currency risk, interest rate risk, credit use, use of derivative financial instruments.

The Group's investments in financial assets, at fair value through profit or loss are either managed internally or externally by external fund managers. The external fund managers are given discretionary powers to invest the funds placed with them within certain guidelines set out by the management as part of the overall risk management.

(a) Market risk

(i) *Currency risk*

The Group is not exposed to significant currency risk as it transacts mainly in the Singapore Dollar ("SGD"), which is the functional currency of the Group. The Group, through its operations and investments, is exposed to foreign exchange risk arising mainly from the United States Dollar ("USD"), Euro ("EUR") and Japanese Yen ("JPY"). The Group monitors its foreign currency exchange risks closely and where appropriate, enters into foreign currency contracts to manage the currency exposure.

Currency risks arise from currency translation risk on the net assets of the Group's foreign operation in the People's Republic of China and unhedged transactions denominated in currencies other than the respective functional currencies of the entities in the Group.

The effects of changes in foreign currency exchange rates against the SGD on the net (deficit)/surplus and equity of the Group is insignificant.

(ii) *Price risk*

The Group is exposed to securities price risk arising from the investments held by the Group which are designated at fair value through profit or loss at inception. The Group's internally-managed portfolio is invested in Singapore equities while the externally-managed portfolios are invested in global equities. To manage its price risk arising from these investments, the Group diversifies its portfolio in accordance with investment guidelines and limits set by the Group for the portfolio.

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33. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

If prices for Singapore and global equities changes by 4% (2016: 11%) and 4% (2016: 6%) respectively, with all other variables including rate of contribution to Consolidated Fund and tax rate being held constant, the effect on surplus/deficit after tax will be:

	<u>Surplus/(deficit) after contribution to Consolidated Fund and income tax</u>	
	2017	2016
	\$'000	\$'000
<u>Group</u>		
<i>Singapore Portfolio</i>		
- Increase by	387	1,014
- Decrease by	(387)	(1,014)
<i>Global Portfolio</i>		
- Increase by	94	499
- Decrease by	(94)	(499)
<u>Authority</u>		
<i>Singapore Portfolio</i>		
- Increase by	387	1,014
- Decrease by	(387)	(1,014)
<i>Global Portfolio</i>		
- Increase by	—	410
- Decrease by	—	(410)

(iii) Interest rate risks

Interest rate risk is the risk that the future cash flows of a financial instrument fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk arising from fixed income securities with floating/variable interest rates that are held by the Group at fair value through profit or loss.

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33. Financial risk management (continued)

(a) Market risk (continued)

(iii) *Interest rate risks (continued)*

If interest rates increase/decrease by 0.05% (2016: 0.16%), with all other variables including rate of contribution to Consolidated Fund and tax rate being held constant, the Group's interest income will be higher/lower by \$349,421 (2016: \$580,278). The effect of a decrease/increase of interest rate on fixed income securities with fixed interest rate that are held by the Group at fair value through profit or loss are as follows:

	<u>Surplus/(deficit) after contribution to Consolidated Fund and income tax</u>	
	2017	2016
	\$'000	\$'000
<u>Group and Authority</u>		
<i>Singapore Portfolio</i>		
- Increase by	156	233
- Decrease by	(156)	(233)
<i>Global Portfolio</i>		
- Increase by	—	6
- Decrease by	—	(6)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Group. The major classes of financial assets of the Group and the Authority are cash and cash equivalents, trade and other receivables and financial assets, at fair value through profit or loss.

For trade receivables, the Group adopts the general policy of dealing with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties such as reputable financial institutions. Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers. Due to these factors, management believes that no additional credit risk beyond the amount of allowance for impairment made is inherent in the Group's and Authority's trade receivables.

The Group has no significant concentrations of credit risk. The Group and Authority do not hold any collateral. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

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33. Financial risk management (continued)

(b) Credit risk (continued)

(i) *Financial assets that are neither past due nor impaired*

Cash and cash equivalents that are neither past due nor impaired are mainly deposits with banks and financial institutions with high credit-ratings assigned by international credit-rating agencies. Financial assets, at fair value through profit or loss that are neither past due nor impaired are mainly investments in reputable companies. Trade and other receivables that are neither past due nor impaired are substantially receivables from Government or companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables and other receivables.

The age analysis of total trade and other receivables past due but not impaired is as follows:

	<u>Group</u>		<u>Authority</u>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Past due < 3 months	15,328	10,354	4,740	2,711
Past due 3 to 6 months	2,698	1,325	247	636
Past due over 6 months	5	338	5	338
	<u>18,031</u>	<u>12,017</u>	<u>4,992</u>	<u>3,685</u>

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	<u>Group</u>	
	2017 \$'000	2016 \$'000
Gross Amounts	37	117
Less: Allowance for impairment	(37)	(117)
	<u>—</u>	<u>—</u>
Beginning of financial year	117	37
Allowance made	—	80
Allowance written back	(80)	—
End of financial year	<u>37</u>	<u>117</u>

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33. Financial risk management (continued)

(c) Liquidity risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash and to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the Group's and Authority's financial liabilities (including foreign currency contracts) based on contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
Group			
At 31 March 2017			
Gross-settled foreign currency contracts			
- Assets	(27,361)	—	—
- Liabilities	27,084	—	—
Other financial liabilities	1,644,757	157,765	58,546
Borrowings	104,148	1,304,121	2,928,254
	<u>1,748,628</u>	<u>1,461,886</u>	<u>2,986,800</u>
At 31 March 2016			
Gross-settled foreign currency contracts			
- Assets	(119,929)	—	—
- Liabilities	116,622	—	—
Other financial liabilities	1,523,109	143,471	51,103
Borrowings	614,625	1,329,319	3,007,204
	<u>2,134,427</u>	<u>1,472,790</u>	<u>3,058,307</u>
Authority			
At 31 March 2017			
Gross-settled foreign currency contracts			
- Assets	—	—	—
- Liabilities	—	—	—
Other financial liabilities	1,594,127	157,765	58,546
Borrowings	104,148	1,304,121	2,928,254
	<u>1,698,275</u>	<u>1,461,886</u>	<u>2,986,800</u>
At 31 March 2016			
Gross-settled foreign currency contracts			
- Assets	(102,753)	—	—
- Liabilities	99,859	—	—
Other financial liabilities	1,467,211	143,471	51,103
Borrowings	614,625	1,329,319	3,007,204
	<u>2,078,942</u>	<u>1,472,790</u>	<u>3,058,307</u>

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For the financial year ended 31 March 2017

33. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to carry out its statutory functions. To achieve these objectives, the Group may secure grants from the Government, return capital to shareholders, issue new shares or obtain new borrowings.

The Group defines capital as its equity, deferred capital grants and borrowings. The Group monitors the 'net operating surplus/(deficits)'. There were no changes in the Group approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements.

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) 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 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presents the assets and liabilities measured at fair value at 31 March 2017.

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Total</u> \$'000
Group			
2017			
Assets			
Financial assets, at fair value through profit or loss			
- Equities securities	16,559	—	16,559
- Debt securities	68,326	—	68,326
Derivatives not designated as hedging instruments			
- Foreign currency contracts	—	363	363
Derivatives designated as hedging instruments			
- Cash flow hedges	—	3,980	3,980
Total assets	84,885	4,343	89,228
Liabilities			
Derivatives not designated as hedging instruments			
- Foreign currency contracts	—	(86)	(86)
Derivatives designated as hedging instruments			
- Cash flow hedges	—	(2,568)	(2,568)
Total liabilities	—	(2,654)	(2,654)

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33. Financial risk management (continued)

(e) Fair value measurements (continued)

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Total</u> \$'000
Group			
2016			
Assets			
Financial assets, at fair value through profit or loss			
- Equities securities	29,199	—	29,199
- Debt securities	80,541	14,955	95,496
Derivatives not designated as hedging instruments			
- Foreign currency contracts	—	3,531	3,531
Derivatives designated as hedging instruments			
- Cash flow hedges	—	4,293	4,293
Total assets	109,740	22,779	132,519
Liabilities			
Derivatives not designated as hedging instruments			
- Foreign currency contracts	—	(224)	(224)
Derivatives designated as hedging instruments			
- Cash flow hedges	—	(3,453)	(3,453)
Total liabilities	—	(3,677)	(3,677)
Authority			
2017			
Assets			
Financial assets, at fair value through profit or loss			
- Equities securities	13,808	—	13,808
- Debt securities	44,244	—	44,244
Derivatives not designated as hedging instruments			
- Foreign currency contracts	—	—	—
Derivatives designated as hedging instruments			
- Cash flow hedges	—	3,980	3,980
Total assets	58,052	3,980	62,032
Liabilities			
Derivatives not designated as hedging instruments			
- Foreign currency contracts			
Derivatives designated as hedging instruments			
- Cash flow hedges	—	(2,568)	(2,568)
Total liabilities	—	(2,568)	(2,568)

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For the financial year ended 31 March 2017

33. Financial risk management (continued)

(e) Fair value measurements (continued)

	<u>Level 1</u> \$'000	<u>Level 2</u> \$'000	<u>Total</u> \$'000
<u>Authority</u>			
2016			
Assets			
Financial assets, at fair value through profit or loss			
- Equities securities	27,488	—	27,488
- Debt securities	55,070	14,955	70,025
Derivatives not designated as hedging instruments			
- Foreign currency contracts	—	3,115	3,115
Derivatives designated as hedging instruments			
- Cash flow hedges	—	4,293	4,293
Total assets	82,558	22,363	104,921
Liabilities			
Derivatives not designated as hedging instruments			
- Foreign currency contracts	—	(221)	(221)
Derivatives designated as hedging instruments			
- Cash flow hedges	—	(3,453)	(3,453)
Total liabilities	—	(3,674)	(3,674)

The fair value of financial instruments traded in active markets (such as trading securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (such as over-the-counter derivatives) is based on price quotes by dealers and/or valuation by banks. These investments are included in Level 2 and comprise debt securities and derivative financial instruments.

There are no financial instruments included under Level 3 as at balance sheet date. There are no movements between the different levels during the financial year.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of non-current borrowings approximates their carrying amount.

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AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

33. Financial risk management (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 15 and Note 17, to the financial statements, except for the following:

	<u>Group</u>		<u>Authority</u>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Loans and receivables	5,646,945	5,795,604	5,457,999	5,621,771
Financial liabilities at amortised costs	<u>5,360,777</u>	<u>5,716,693</u>	<u>5,308,945</u>	<u>5,659,833</u>

34. Related party transactions

Nature and amount of individually significant transactions

Except as already disclosed elsewhere in the financial statements, there are no individually significant transactions with related parties.

Other related party transactions

The key management personnel compensation is analysed as follows:

	<u>Group and Authority</u>	
	2017 \$'000	2016 \$'000
Salaries	10,199	8,928
CPF contributions	275	219
Post-employment benefits	90	76
Board members' allowances	322	293
	<u>10,886</u>	<u>9,516</u>

35. Bus Service Enhancement Fund

- (a) A sum of \$1.1 billion was set up by the Government in September 2012 for the Bus Service Enhancement Fund ("BSEF") introduced by the Government. The Fund is ring-fenced for the specific purpose of improving and expanding the reliability of the bus services provided by bus service licensees and bus service operator licensees. The Land Transport Authority was given the authority to administer the Fund under Section 13B of the Land Transport Authority of Singapore Act (Cap.158A) which came into effect on 12 September 2012. Upon dissolution of the Fund, the remaining balance would be transferred back to the Consolidated Fund and the past reserves of the Government.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
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NOTES TO THE FINANCIAL STATEMENTS

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35. Bus Service Enhancement Fund (continued)

(b) The fund is accounted for as follows:

	<u>Group and Authority</u>	
	2017	2016
	\$'000	\$'000
Income & Expenditure Statement		
Income		
Loan interest received (ii)	1,133	11,408
Interest income	2,198	3,459
	<u>3,331</u>	<u>14,867</u>
Expenditure		
Operating subsidy (ii)(a)	(50,960)	(117,552)
Financing subsidy (ii)(b)	(8,573)	(30,042)
	<u>(59,533)</u>	<u>(147,594)</u>
End of financial year	<u>(56,202)</u>	<u>(132,727)</u>
Balance Sheet		
Represented by:		
Assets		
Deposit placed with Monetary Authority of Singapore	323,259	452,187
Deposit placed with Accountant-General's Department	55,033	62,436
Loan receivables from Bus Operators (ii)	—	72,657
Other receivables	26,714	3,234
	<u>405,006</u>	<u>590,514</u>
Non-current assets		
Buses & bus related assets	30,279	261,627
	<u>30,279</u>	<u>261,627</u>
Total assets	<u>435,285</u>	<u>852,141</u>
Liabilities		
Other payables	593	9,401
	<u>593</u>	<u>9,401</u>
Net assets	<u>434,692</u>	<u>842,740</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

35. Bus Service Enhancement Fund (continued)

(b) The fund is accounted for as follows: (continued)

	Group and Authority	
	2017	2016
	\$'000	\$'000
Accumulated surplus		
Beginning of financial year	842,740	975,467
Movement for the financial year	(56,202)	(132,727)
Amount injected into the Authority under Bus Contracting	(351,846)	—
End of financial year	434,692	842,740

- (i) Majority of the Bus Service Enhancement Programme ("BSEP") improvements was implemented by end 2016, including 22 City Direct Bus Services (CDS) in operation by the Private Bus Operators (PBO).
- (ii) Under BSEP:
- (a) Operating subsidy is given to reimburse the operating costs incurred by the operator for the purpose of operating a BSEP Route.
- (b) Financing subsidy is given to cover depreciation and loan interest expenses for the buses relating to the expanded BSEP. The subsidies are given by way of set off against loan repayment, which will reduce the amount of loan receivables accordingly.
- (c) Except for the operating subsidy provided to the PBO running the CDS, the subsidies given to the Public Transport Operators (PTOs) for the programme had ceased after the transition to the Bus Contracting Model (BCM) on 1 September 2016.
- (iii) The assets and liabilities of the fund are excluded from the assets and liabilities of the Group and the Authority.

36. Collection of Government taxes, fees and charges

The Authority acts as an agent of the Government and provides service in administering, assessing, collecting and enforcing payment of various Government taxes, fees and charges such as Additional Registration Fees, Vehicle Quota Premium, Road Tax and ERP Charges. These Government taxes, fees and charges collected are paid into the Government Consolidated Fund and are not reflected in the Authority's financial statements.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

37. New or revised accounting standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2017, and have not been applied in preparing these financial statements.

- SB-FRS 115 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018)

This is the converged standard on revenue recognition. It replaces SB-FRS 11 Construction contracts, SB-FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of SB-FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

SB-FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Based on management's preliminary assessment, management is of the view that the adoption of this new accounting standard will not result in a material impact to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

37. New or revised accounting standards and interpretations (continued)

- SB-FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)

The complete version of SB-FRS 109 replaces most of the guidance in SB-FRS 39. SB-FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI. There is now a new expected credit losses model that replaces the incurred loss impairment model used in SB-FRS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value, through profit or loss.

SB-FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

The new standard also introduces expanded disclosure requirements and changes in presentation.

Based on management's preliminary assessment, management is of the view that the adoption of this new accounting standard will not result in a material impact to the financial statements.

- SB-FRS 116 *Leases* (effective for annual periods beginning on or after 1 January 2019)

SB-FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for the Group and the Authority's operating leases. As at the reporting date, the Group and the Authority has non-cancellable operating lease commitments of \$11,889,000 and \$9,303,000 respectively (Note 32). However, management has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group and the Authority's surplus and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

**LAND TRANSPORT AUTHORITY OF SINGAPORE
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

38. Authorisation of financial statements

These financial statements were authorised for issue by the members of the Authority on 27 June 2017.