

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, 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.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us that (1) you are not resident in the United States ("**U.S.**") nor a U.S. person, as defined in Regulation S under the Securities Act, nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this email has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined under Section 4A of the Securities and Futures Act 2001 of Singapore ("**SFA**") pursuant to Section 274 of the SFA, a relevant person (as defined under Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or a person referred to in Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the "**SFA**" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached information memorandum 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 none of Public Utilities Board, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, agents, 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.

Restrictions: 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 therein. You are reminded that the information in the attached document is not complete and may be changed.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN 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 APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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 Public Utilities Board or DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any 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. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of Public Utilities Board in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply.

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 this information memorandum, 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.**

Actions that You May Not Take: If you receive this information memorandum by e-mail, you should not reply by e-mail, 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.

YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this information memorandum 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.



PUBLIC UTILITIES BOARD

(Existing pursuant to the Public Utilities Act 2001 of Singapore)

**S\$10,000,000,000 Medium Term Note Programme
(the "Programme")**

This Information Memorandum has not been 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 Public Utilities Board (the "Issuer") pursuant to 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 any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

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

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for the listing and quotation for 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 SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Notes.

Arranger



TABLE OF CONTENTS

	Page
NOTICE	1
FORWARD-LOOKING STATEMENTS	6
DEFINITIONS	7
CORPORATE INFORMATION.....	10
SUMMARY OF THE PROGRAMME	11
TERMS AND CONDITIONS OF THE NOTES	15
RISK FACTORS	28
THE ISSUER – PUBLIC UTILITIES BOARD	35
SELECTED FINANCIAL INFORMATION	45
PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS	47
CLEARING AND SETTLEMENT.....	48
SINGAPORE TAXATION	49
SUBSCRIPTION, PURCHASE AND DISTRIBUTION.....	53
APPENDIX I – GENERAL INFORMATION	I-1
APPENDIX II – AUDITED FINANCIAL STATEMENTS OF THE ISSUER AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021	II-1

NOTICE

DBS Bank Ltd. (the “**Arranger**”) has been authorised by Public Utilities Board (the “**Issuer**”) to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries, the Programme and the Notes. The Issuer, having made all reasonable enquiries, confirms that (1) this Information Memorandum contains all information with respect to the Issuer, to the Issuer and its subsidiaries taken as a whole (the “**Group**”) and to the Notes which is material in the context of the Programme or the issue and offering of the Notes, (2) the statements contained in this Information Memorandum are true and accurate in all material respects and not misleading in any material respect, (3) the opinions and intentions of the Issuer expressed in this Information Memorandum with regard to the Issuer and to the Group are honestly, fairly and reasonably held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (4) there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the Programme or the issue and offering of the Notes, make any statement in this Information Memorandum misleading in any material respect and (5) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) in bearer form or a Permanent Global Note (as defined herein) in bearer form which will be deposited on the issue date with CDP (as defined herein) or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed rate or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to the applicable series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the terms and conditions of the Notes as amended and/or supplemented by the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to below) shall be S\$10,000,000,000 or such higher amount as may be increased pursuant to the terms of the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, any of the Dealers, any of the Agents (as defined herein) or the Trustee (as defined below). Nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or its subsidiaries. The delivery or dissemination of this Information Memorandum at any time after the date of this Information Memorandum does not imply that the information contained in this Information Memorandum or any part of this Information Memorandum is correct at any time subsequent to such date.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger, any of the Dealers, any of the Agents or the Trustee to subscribe for or purchase, any of the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be prohibited or 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 comes are required to inform themselves about and to observe any such prohibitions and restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to U.S. tax law requirements and restrictions. The 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 Regulation S under the Securities Act (“**Regulation S**”)). The Notes may be offered or sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S.

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

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Notes from time to time to be issued pursuant to the Programme. 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 the relevant Dealer(s) 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.

Neither the delivery or dissemination of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the affairs, business or financial position of the Issuer or its subsidiaries or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

None of the Issuer, the Arranger, any of the Dealers, any of the Agents or the Trustee or any of their respective officers, employees is making any representation, warranty or undertaking 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 or its subsidiaries. Further, none of the Arranger, any of the Dealers, any of the Agents or the Trustee makes any representation or warranty as to the Issuer 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 other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

None of the Arranger, any of the Dealers, any of the Agents or the Trustee has separately verified the information contained in this Information Memorandum. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of 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, any of the Agents or the Trustee 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. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the affairs, business and financial condition and the creditworthiness of the Issuer and its subsidiaries, and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the affairs, business and financial condition and its appraisal of the creditworthiness of the Issuer and its subsidiaries. Accordingly, notwithstanding anything herein, none of the Issuer, the Arranger, any of the Dealers, any of the Agents, the Trustee or any of their respective officers, employees or agents shall be held responsible or liable for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in 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 subscription, 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).

To the fullest extent permitted by law, none of the Arranger, any of the Dealers, any of the Agents or the Trustee accepts any responsibility for the contents of this Information Memorandum or for any other statement made or purported to be made by the Arranger, any of the Dealers, any of the Agents or the Trustee or on its behalf in connection with the Issuer, the Programme or the issue and offering of the Notes. The Arranger, each Dealer, each Agent and the Trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports and audited financial statements of the Issuer and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also 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 during usual office hours with prior notice at the specified office of the Issuing and Paying Agent (as defined herein). Copies of documents listed in (1) above which are deemed to be incorporated by reference in this Information Memorandum may be obtained at the SGX-ST's website at www.sgx.com.

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 and 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 any liability or responsibility on the part of the Issuer, the Arranger, any of the Dealers, any of the Agents or the Trustee) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The distribution of this Information Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Arranger, each Dealer, each Agent and the Trustee to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes and distribution of this Information Memorandum set out under the section “Subscription, Purchase and Distribution” on pages 53 to 59 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall 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 any applicable laws and regulations.

It is recommended that persons proposing to subscribe for, purchase or otherwise acquire any of the Notes consult their own legal and other advisers before subscribing for, purchasing or acquiring the Notes. Such persons are also advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Notes.

Prospective investors should pay attention to the risk factors set out in the section titled “Risk Factors”.

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

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

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise 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.

UK MiFIR product governance/target market – The applicable Pricing Supplement in respect of any Notes may include a legend titled “UK MiFIR 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 the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) 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 UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Prohibition of Sales to EEA Retail Investors

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**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 (EU) 2016/97 (as amended, the “**Insurance Distribution 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 Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to UK 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 United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs 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 and/or the Group (as defined herein) (including statements as to the Issuer’s and/or the Group’s revenue, profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, 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 and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

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

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer and/or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger, the Dealers and the Trustee do not represent or warrant that the actual future results, performance or achievements of the Issuer and/or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of any 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, business or financial position of the Issuer or any of the subsidiaries or associated companies (if any) of the Issuer or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger, the Dealers and the Trustee disclaim any responsibility, and undertake 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, been used in this Information Memorandum:

“ABC Waters”	:	Active, Beautiful, Clean Waters.
“Agency Agreement”	:	The Agency Agreement dated 10 August 2022 made between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, and (3) the Trustee, as trustee, as amended, varied or supplemented from time to time.
“Agents”	:	The Issuing and Paying Agent and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement.
“Arranger”	:	DBS Bank Ltd.
“Board”	:	Board of members of the Issuer.
“Business Day”	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore.
“CDP” or the “Depository”	:	The Central Depository (Pte) Limited.
“Companies Act”	:	Companies Act 1967 of Singapore, as amended or modified from time to time.
“Conditions”	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
“Couponholders”	:	The holders of the Coupons.
“Coupons”	:	The interest coupons appertaining to an interest-bearing Definitive Note.
“Dealers”	:	Persons appointed as dealers under the Programme.

“Definitive Note”	:	A definitive Note in bearer form having, where appropriate, Coupons and/or a Talon attached on issue.
“FY”	:	Financial year ended or ending 31 March.
“Global Note”	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons or a Talon.
“IRAS”	:	The Inland Revenue Authority of Singapore.
“Issuer” or “PUB”	:	Public Utilities Board.
“Issuing and Paying Agent”	:	DBS Bank Ltd., or its successors in that capacity.
“ITA”	:	Income Tax Act 1947 of Singapore, as amended or modified from time to time.
“MAS”	:	The Monetary Authority of Singapore.
“Noteholders”	:	The holders of the Notes.
“Notes”	:	The Notes issued or to be issued by the Issuer under the Programme (and shall, where the context so admits, include the Global Notes, Definitive Notes and any related Coupons and/or Talons).
“Permanent Global Note”	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note.
“Pricing Supplement”	:	In relation to a Tranche or Series, a pricing supplement to be read in conjunction with the Information Memorandum, specifying the relevant issue details in relation to such Tranche or Series, as the case may be.
“Programme”	:	The S\$10,000,000,000 Medium Term Note Programme of the Issuer established by the Issuer pursuant to the Programme Agreement.
“Programme Agreement”	:	The Programme Agreement dated 10 August 2022 made between (1) the Issuer, as issuer, and (2) the Arranger, as arranger, as amended, varied or supplemented from time to time.
“PU Act”	:	Public Utilities Act 2001 of Singapore, as amended or modified from time to time.
“Securities Act”	:	Securities Act of 1933 of the United States, as amended.

“Series”	:	A Tranche, together with any further Tranche or Tranches, which are (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest.
“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended or modified from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Talons”	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.
“Temporary Global Note”	:	A Global Note representing Notes of one or more Tranches of the same Series on issue.
“Tranche”	:	Notes which are identical in all respects (including as to listing).
“Trust Deed”	:	The Trust Deed dated 10 August 2022 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time.
“Trustee”	:	DBS Trustee Limited, or its successors in that capacity.
“S\$” and “cents”	:	Singapore dollars and cents respectively.
“%”	:	per cent.
“km”	:	kilometres.
“kWh”	:	kilowatt hour.
“m”	:	metres.
“m³”	:	cubic metres.
“mgd”	:	million gallons of water per day.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Issuer	:	Public Utilities Board
The Members of the Issuer	:	Mr. Chiang Chie Foo Mr. Goh Si Hou Ms. Hwee Wai Cheng Ms. Kam Su Cheun Aurill Prof. Low Teck Seng Mr. Abu Bakar Bin Mohd Nor Mr. Ng Peng Wah Mr. Thiagarajan s/o Subramaniam Mr. Tan Siong Leng Mr. Tan Wah Yeow
Principal Place of Business	:	40 Scotts Road #22-01 Environment Building Singapore 228231
Auditors	:	PricewaterhouseCoopers LLP (in respect of FY 2021) 7 Straits View Marina One, East Tower Level 12 Singapore 018936
Arranger	:	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, Issuing and Paying Agent and the Trustee	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Issuing and Paying Agent	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Trustee for the holders of the Notes	:	DBS Trustee Limited 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Agency Agreement, the Trust Deed including, without limitation, the terms and conditions of the Notes, and the relevant Pricing Supplement.

Issuer	:	Public Utilities Board.
Arranger	:	DBS Bank Ltd.
Dealers	:	Such Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Issuing and Paying Agent	:	DBS Bank Ltd.
Trustee	:	DBS Trustee Limited.
Description	:	S\$10,000,000,000 Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding at any time shall be S\$10,000,000,000 or such higher amount as may be increased pursuant to the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, the Notes will be issued in Singapore dollars.
Method of Issue	:	The Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis or by way of tender. 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.
Issue Price	:	The Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
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.
Interest Basis	:	The Notes will bear interest at a fixed rate which will be payable in arrear on specified dates and at maturity.

Form and Denomination of Notes	:	The Notes will be issued in bearer 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. Each Temporary Global Note may be deposited on the relevant issue date with CDP and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.
Custody of the Notes	:	Notes are to be cleared through CDP and are required to be kept with CDP as authorised depository.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> and without preference among themselves. The payment obligations of the Issuer under the Notes and Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Redemption and Purchase at the Option of the Issuer or the Noteholders	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Purchase at the Option of the Noteholders upon the Issuer ceasing to be a statutory board	:	If, as a result of any amendment to or repeal of (i) the PU Act or (ii) 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 will, at the option of the holder of any Note, purchase such Note at its Redemption Amount (together with interest accrued to (but excluding) the date fixed for purchase) on the date falling 30 days from the date of the exercise by the holder of such option.

Redemption at the Option of the Issuer for Taxation Reasons	:	The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, 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, regulations, rulings or other administrative pronouncements, which change or amendment is made public or becomes effective on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations 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 or increase the payment of such additional amounts were a payment in respect of the Notes then due.
Events of Default	:	See Condition 8 of the Notes.
Taxation	:	All payments by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore 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 and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "SINGAPORE TAXATION" herein.
Listing	:	Application has been made to the SGX-ST for permission to deal in, and for quotation of, any Notes which are agreed at or prior to the time of issue 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.

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 other currencies.

Unlisted Notes may also be issued pursuant to the Programme.

Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on “SUBSCRIPTION, PURCHASE AND DISTRIBUTION” below.

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 which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive 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, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed (as amended, restated and supplemented from time to time, the “**Trust Deed**”) dated 10 August 2022 made between (1) Public Utilities Board (the “**Issuer**”) and (2) DBS Trustee Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees under the Trust Deed), as trustee for the Noteholders (as defined below) and are issued with the benefit of a deed of covenant (as amended and supplemented from time to time, the “**Deed of Covenant**”) dated 10 August 2022 executed by the Issuer by way of deed poll. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and the coupons (the “**Coupons**”) and the talons for further coupons (the “**Talons**”) relating to them. The Issuer has entered into an Agency Agreement dated 10 August 2022 made between (1) the Issuer, as issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the “**Issuing and Paying Agent**”) and (3) the Trustee, as trustee (as amended, restated and supplemented from time to time, the “**Agency Agreement**”). The Noteholders and the holders (the “**Couponholders**”) of the Coupons and, where applicable in the case of such Notes, Talons are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Covenant and are deemed to have notice of those applicable to them of the Agency Agreement.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection during usual business hours at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being in each case after making appointment and on furnishing proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Issuing and Principal Agent.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form in each case in the Denomination Amount shown hereon.
- (ii) This Note is a Fixed Rate Note.
- (iii) Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

(b) Title

- (i) Title to the Notes and the Coupons or Talons appertaining thereto shall pass by delivery.
- (ii) The holder of any Note, Coupon or Talon will (except as ordered by a court of Singapore or as required by law) be deemed and treated as its absolute owner for all purposes (whether or not it shall be overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and no person will be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Note (as defined below) and such Global Note is held by The Central Depository (Pte) Limited (the “**Depository**”), each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by the Depository as to the principal amount of such Notes standing to the credit of 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 Trustee, the Issuing and Paying Agent and all other agents of the Issuer as the holder of such principal amount of Notes standing to the credit of the account of such person for all purposes other than with respect to the payment of principal, premium (if any), interest, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Trustee, the Issuing and Paying Agent and all other agents of the Issuer as the holder of such principal amount of Notes in accordance with and subject to the terms of the Global Note (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions, where the context requires, shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of the Depository.
- (iv) In these Conditions, “**Global Note**” means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, “**Noteholder**” means the bearer of any Note and “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Note, Coupon or Talon, “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without preference among themselves. The payment obligations of the Issuer under the Notes and Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

3. Interest

(a) Interest Rate and Accrual

Each Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 3(c)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

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.

Interest will cease to accrue on each Note from (and including) the due date for redemption thereof unless, upon due presentation, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 3 to (but excluding) the Relevant Date (as defined in Condition 6).

(b) Calculation

Interest in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 3(c)) shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 3(c)) for any Interest Period in respect of any Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest Singapore cent.

(c) Definitions

As used in these Conditions:

“**business day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore;

“**Calculation Amount**” means the amount specified as such on the face of any Note or, if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with Condition 3:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); and

- (ii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

“**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;

“**Issue Date**” means the date specified as such in the applicable Pricing Supplement; and

“**Singapore dollar(s)**” means the lawful currency of Singapore.

4. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face.

(b) Purchase at the Option of the Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer’s Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer and/or any of its subsidiaries, 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 8, 9 and 11.

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

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be fair and reasonable in the circumstances. 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 notice of purchase of such Notes.

(c) Purchase at the Option of Noteholders

- (i) If so provided hereon, each Noteholder shall have the option to have all or any of his 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 such Note to be purchased (together with all unmatured Coupons and unexchanged Talons (if any)) with the Issuing and Paying Agent at its specified office together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within

the Noteholders' Purchase Option Period shown on the face hereof. Any Notes 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 by surrendering such Note (together with all unmatured Coupons and unexchanged Talons (if any)) to the Issuing and Paying Agent. The Notes so purchased, while held by or on behalf of the Issuer and/or any of its subsidiaries, 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 8, 9 and 11.

- (ii) If, as a result of any amendment to or repeal of (i) the Public Utilities Act 2001 of Singapore or (ii) 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 will, at the option of the holder of any Note, purchase such Note at its Redemption Amount (together with interest accrued to (but excluding) the date fixed for purchase) on the date falling 30 days from the date of the exercise by the holder of such option. The Issuer will give prompt notice to the Noteholders of the occurrence of the event referred to in this Condition 4(c)(ii) in accordance with Condition 14. To exercise such option, a Noteholder shall deposit such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent at its specified office together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, no later than 10 business days from the date of the Issuer's notice to the Noteholders of the occurrence of such event (or such longer period, not exceeding 30 business days, as the Issuer may notify to the Noteholders in such notice). Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior written consent of the Issuer. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer and/or any of its subsidiaries, 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 8, 9 and 11.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

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

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any notice of redemption of such Notes.

(e) Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued (if any) to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons and unexchanged Talons (if any)) with the Issuing and Paying Agent at its specified office together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) within the Noteholders’ Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, 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, regulations, rulings or other administrative pronouncements, which change or amendment is made public or becomes effective on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations 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 or increase the payment of such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption by setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and 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 or increase the payment of such additional amounts as a result of such change or amendment or any such change in the application or interpretation of such laws, regulations, rulings or other administrative pronouncements. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

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

(g) Purchases

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

The Notes so purchased by the Issuer and/or any of its subsidiaries may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent for cancellation or may at the option of the Issuer or relevant subsidiary be held or resold. The Notes so purchased, while held by or on behalf of the Issuer or any of its subsidiaries, 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 8, 9 and 11.

(h) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and all unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

5. Payments

(a) Principal and Interest

Payments of principal and interest (which shall include the Redemption Amount) will, subject as mentioned below, be made against presentation and surrender (or, in the case of a partial payment, endorsement) of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a Singapore dollar cheque drawn on, or, at the option of the holders, by transfer to a Singapore dollar account maintained by the payee with, a bank in Singapore.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 6. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Issuing and Paying Agent

The Issuing and Paying Agent initially appointed by the Issuer and its specified office are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent and to appoint additional or other Issuing and Paying Agents, provided that it will at all times maintain an Issuing and Paying Agent having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Trustee and the Issuing and Paying Agent without the consent of any Noteholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Trustee and the Issuing and Paying Agent may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Trustee and the Issuing and Paying Agent, materially and adversely affect the interests of the Noteholders or the Couponholders.

(d) Unmatured Coupons and Unexchanged Talons

- (i) Each Note should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption 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 three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 7).

- (ii) 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.
- (iii) 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.

(e) Talons

On or after the Interest Payment Date for the final Coupon forming part of a 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 Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 7).

(f) Non-business days

Subject as provided in the relevant Pricing Supplement, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or payment in respect of any such delay.

(g) Default Interest

If on or after the due date for payment of any sum in respect of the Notes or, as the case may be, Coupons, payment of all or any part of such sum shall not be 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 from such due date up to (but excluding) the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (both before and after judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to one per cent. per annum above the Interest Rate applicable to such Note. The Issuer shall pay any unpaid interest accrued on the amount so unpaid on the last business day of the calendar month in which such interest accrued and any interest payable under this paragraph (g) which is not paid on the last business day of the calendar month in which it accrued shall be added to the overdue sum and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph (g) shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed.

6. Taxation

All payments by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore 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 and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 14 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 4, “**interest**” shall be deemed to include all amounts payable pursuant to Condition 3 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” shall be deemed to include any additional amounts which may be payable under these Conditions.

7. Prescription

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

8. Events of Default

If any of the following events (“**Events of Default**”) occurs, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes, together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer fails to pay the principal of, or Redemption Amount (whether becoming due upon redemption or otherwise) on, or any interest on, any of the Notes when due, and such default continues for a period of seven business days; or
- (b) the Issuer defaults in the performance or observance of or compliance with any of its other obligations set out in any of the Notes or the Trust Deed which default is incapable of remedy or, if in the reasonable opinion of the Trustee, that default is capable of remedy and is not in the reasonable opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) (i) any other present or future indebtedness (in an aggregate amount of not less than S\$30,000,000 (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\$30,000,000 (or its equivalent in any other currency or currencies)) payable by it under any present or future guarantee for any moneys borrowed or raised; or
- (d) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer over all or any substantial part of the undertaking, property, assets or revenues of the Issuer becomes enforceable; or
- (e) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under any of the Notes, any of the Coupons or the Trust Deed; or
- (f) any action, condition or thing (including 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, the Coupons and/or the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable or (iii) to make the Notes, the Coupons and the Trust Deed admissible in evidence in the courts of Singapore is not taken, fulfilled or done; or
- (g) 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.

9. Meeting of Noteholders and Modifications

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution (as defined in the Trust Deed) of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any provisions of the Trust Deed. The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. in principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals by the Issuer, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) 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 amount of interest payable in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Notes or the Coupons, (f) 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, or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders of the relevant Series (whether or not they were present at the meeting at which such resolution was passed) and on all 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.

(b) Modifications and Waivers

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature, to correct a manifest error, to comply with mandatory provisions of Singapore law or is required by the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Agency Agreement 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 the Couponholders and, unless the Trustee otherwise agrees, such modification shall be notified to the Noteholders by the Issuer (in accordance with Condition 14) as soon as practicable.

(c) Entitlement of Trustee

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

10. Replacement of 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 Issuing and Paying Agent, or at the specified office of such other Issuing and Paying 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, in each case on payment by the claimant of such costs, expenses and duties (including the fees and costs of the Issuing and Paying Agent) incurred in connection therewith and on such terms as to evidence (including, without limitation, a statutory declaration in such form as the Issuer and/or the Issuing and Paying Agent may require and evidence as to the serial number of the Note, Coupon or Talon in question), 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 redemption or 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 Talons must be surrendered before replacements will be issued.

11. Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Issue Documents, the Notes and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed 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 and/or secured and/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 so proceed, fails to do so within a reasonable period and such failure is continuing.

12. Indemnification of the Trustee

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. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

14. Notices

Notices to the holders of the Notes will be valid if published in a daily newspaper in the English language of general circulation in Singapore (which is expected to be *The Business Times*) (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Notes in accordance with this Condition.

In substitution of the said publication of notices mentioned in the foregoing paragraph, in the case where the Notes are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”), notices to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the holders on the date on which the announcement was published on the SGX-ST.

Until such time as any definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of the Depository, there may be substituted for such publication in such newspapers or announcement on the SGX-ST the delivery of the relevant notice to (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, 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 or given in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Issuing and Paying Agent through the Depository in such manner as the Issuing and Paying Agent and the Depository may approve for this purpose.

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

15. Governing Law and Jurisdiction

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

The courts of Singapore are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Notes or the Coupons (the “**Proceedings**”) shall be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum or on any similar grounds.

16. Contracts (Rights of Third Parties) Act 2001

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 2001 of Singapore.

Issuing and Paying Agent

DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in the Notes should carefully consider all the information set forth in this Information Memorandum including the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the operations, operating results, business, financial condition, performance and/or prospects of the Issuer or its subsidiaries or any decision to purchase, own or dispose of the Notes. Additional risks which the Issuer or its subsidiaries are currently unaware of may also impair their respective operations, operating results, business, financial condition, performance and/or prospects. If any of the following risk factors develops into actual events, the operations, operating results, business, financial condition, performance and/or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Notes may be adversely affected and investors may lose all or part of their investment in the Notes.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in the Notes may require in investigating the Issuer or the Group prior to making an investment or divestment decision in relation to 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 such investor has received information to assist it in making such determination.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to 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, any of the Dealers, any of the Agents or the Trustee 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. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer or its subsidiaries, the Arranger, any of the Dealers, any of the Agents or the Trustee or any person affiliated with any 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 such part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subsidiaries, 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.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section entitled "FORWARD-LOOKING STATEMENTS" on page 6 of this Information Memorandum.

RISKS RELATING TO THE ISSUER'S BUSINESS

Business

The Issuer is subject to risks associated with the development, operation and management of Singapore's water supply, water catchment, drainage and used water functions, such as climate change, changes in demand and operational risks, and risks associated with overseeing and driving multi-agency efforts to review, develop and implement coastal protection plans.

Effects of climate change in the form of extreme weather events, such as intense rainfall and prolonged drought, could affect the Issuer's business and/or operations.

The Issuer obtains its water supply from various sources, including local water catchments, imported water from Johor, Malaysia, NEWater and desalinated water. Although the Issuer aims to diversify its water supply sources, there is a risk that any or all of its sources may be disrupted. In the event of major and prolonged disruption of such water supply sources, the Issuer's business and/or operations may be affected.

The Issuer is heavily dependent on technology in order to carry out its water supply, water catchment, drainage and used water functions. This requires significant on-going capital investment in the Issuer's plant and machinery systems.

In April 2020, the Issuer was appointed as the national Coastal Protection Agency to spearhead and coordinate Whole-of-Government efforts in coastal protection to protect Singapore's coastlines from the threat of rising sea levels and to manage coastal and inland flooding risks to holistically strengthen Singapore's flood resilience against climate change. However, even with detailed planning and execution, the Issuer faces the risk that climate change could result in effects that are worse than what is projected and planned for.

While the Issuer has put various measures and redundancies in place to minimise the risk of failure and to ensure the integrity of its current systems, there is always the risk of a system failure or interruption due to cyber-attacks, technical failures and/or human errors. If there is a major and prolonged period of system failure, there could be an adverse effect on the Issuer's operations, operating results, business, financial condition, performance and/or prospects.

Change in Legislation

The Issuer is continued under the PU Act which together with the relevant subsidiary legislation, sets out the functions of the Issuer. If there is any change made to the PU Act or the relevant subsidiary legislation, such change may adversely affect the ability of the Issuer to comply with its obligations under the Programme and the Notes.

Changes in Government Policies

As a statutory board, the Issuer is legislated to administer Singapore's water supply, water catchment, drainage and used water in an integrated manner and is the national coastal protection agency.

The Issuer derives its main source of income from the collection of water charges and waterborne taxes¹ levied on its customers. The Issuer also receives funds from the Singapore Government to defray the operating and development costs of the public drainage network, as well as the development costs of used water reticulation network, and for the construction of ABC Waters projects. There is a risk that the Singapore Government may change its policy and cease to mandate the Issuer as the sole water agency and/or withdraw the provision of such funding. In addition, any changes in applicable laws, regulations and policies could affect the Issuer and its operations, operating results, business, financial condition, performance and/or prospects.

¹ The term "waterborne taxes" as used in this Information Memorandum covers both the waterborne fee and the sanitary appliance fee (the latter of which is currently zero rated).

COVID-19

The outbreak of any health epidemics, general outbreak of debilitating disease or infectious disease of pandemic nature in Singapore such as SARS, Middle East respiratory syndrome coronavirus, avian influenza, H1N1 (commonly referred to as “swine flu”) and the recent outbreak of the COVID-19 coronavirus pandemic, whether in Singapore and/or the jurisdictions could have a negative impact on the regional and/or global economy and may adversely impact PUB’s operations, operating results, business, financial condition, performance and/or prospects.

Since the outbreak of the COVID-19 pandemic, PUB’s COVID-19 strategies included early and decisive actions in securing supplies of critical materials and ensuring continuity of essential operations and maintenance works through monitoring of manpower availability. These measures have enabled PUB to continue to deliver on its mission effectively. In the new normal, the COVID-19 pandemic is evolving and can impact on PUB’s delivery of essential water services, if absenteeism and workforce resignation escalate, and supply chain and logistics break down. PUB closely monitors these factors and has acted decisively each time by introducing new ways of working and rethinking its business strategy.

As the COVID-19 pandemic is ongoing as at the date of this Information Memorandum, there is no assurance that the COVID-19 pandemic will not become more severe or protracted or that PUB will not in the future experience more severe disruptions. The actual extent of the COVID-19 pandemic and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on PUB’s operations, operating results, business, financial condition, performance and/or prospects will depend on, among other things, the duration and impact of the COVID-19 pandemic.

Certain construction and management risks may arise within the Group’s projects

A segment of the PUB’s business is project-based, and good project management, procurement of materials and allocation of resources are important factors for the successful completion of projects. The construction and development of projects entail significant risks including, without limitation, shortages of materials or skilled labour, interruption and termination of the Issuer’s third-party service providers, unforeseen engineering or environmental problems, work stoppages, litigation, weather interferences and difficulties in obtaining requisite approvals or authorisations from regulatory authorities. Some of these risks may arise through the actions or omission of other third parties such as contractors and vendors engaged by the Issuer, and some may arise from the difficulties of executing projects in time and on budget (whether due to the ongoing COVID-19 pandemic or any other factors). Any such risks, if realised, could adversely affect the Issuer’s ability to complete projects in time and on budget which may result in cost overruns, lost tariff receipts, the imposition of penalty fees and other penalties. All these factors may affect the Issuer’s reputation, results of operations, financial condition, its future cash flow streams and risk of litigation.

RISKS RELATING TO THE NOTES

Limited liquidity of the Notes issued under the Programme

There can be no assurance regarding the future development of the market for the Notes issued under the Programme, the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, there can be no assurance as to the liquidity or sustainability of any such market. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar debt securities, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at their fair market value or at all.

Liquidity may have a severely adverse effect on the market value of the 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.

Although an application may be made for the Notes issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Series or Tranche of Notes will be so admitted or that an active trading market will develop.

Fluctuation of market value of the Notes issued under the Programme

Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial condition of the Issuer and/or its subsidiaries, political, economic, financial and any other factors that can affect the capital markets, the industry and the Issuer and its subsidiaries generally. Adverse economic developments, acts of war and health hazards in Singapore and countries with significant trade relations with Singapore could have a material adverse effect on the Singapore economy and the operations, operating results, business financial condition, performance and/or prospects of the Issuer and/or its subsidiaries.

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, which may also adversely affect the market price of the Notes.

Financial Risk

Interest payment and principal repayment for debts occur at specified periods regardless of the performance of the Notes. The Notes issued under the Programme are not guaranteed by the Singapore Government and should the Issuer suffer a serious decline in its net operating cash flows, it may be unable to make interest payments and/or principal repayments under the Notes.

The Notes are not secured

The Notes and the Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. Accordingly if the Issuer is dissolved at any time prior to maturity of any Notes, the Noteholders will not have recourse to any specific assets of the Issuer as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders and there can be no assurance that there would be sufficient value in the assets of the Issuer after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to the Noteholders.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of CDP

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be lodged with CDP. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. CDP will maintain records of their accountholders 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 CDP.

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 for distribution to their accountholders. A holder of a beneficial interest in a Global Note must rely on the procedures of CDP to receive payments under the relevant Notes. The Issuer bears 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 CDP to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Note will not have a direct right under the Global Note to take enforcement action against the Issuer in the event of a default under the Notes but will have to rely upon their rights under the Trust Deed.

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 Agency Agreement and the Trust Deed of their obligations thereunder including the performance by the Issuing and Paying Agent and the Trustee 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 fulfil its obligations to the Noteholders and the Couponholders.

The Notes may not be a suitable investment for all investors

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

- (i) 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;
- (ii) 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;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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.

A potential investor should not invest in Notes 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 such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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 (i) the Notes are legal investments for them, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Provisions in the Trust Deed, the Agency Agreement and the terms and conditions of the Notes may be modified

The terms and 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 terms and conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders or Couponholders, agree to (i) any modification of any of the provisions of the Trust Deed or the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error, to comply with mandatory provisions of Singapore law or is required by the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

Exchange rate risks and exchange controls may result in Noteholders receiving less interest, distributions and/or principal than expected

The Issuer will pay principal and interest on the Notes in Singapore dollars. This presents certain risks relating to currency conversions if Noteholders' financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Singapore dollar. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Singapore dollar 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 Singapore dollar would decrease (a) the Investor's Currency equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the amount payable on the Notes, if any, and (c) the Investor's Currency equivalent market value of the Notes.

The Notes may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes containing such a feature. During any period when the Issuer may elect to redeem the Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risks in light of other investments available at that time.

The Notes are subject to a put option in the event of, inter alia, the Issuer ceasing to be a statutory board

If, as a result of any amendment to or repeal of (i) the PU Act or (ii) 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 will, at the option of the holder of any Note, purchase such Note at its redemption amount together with interest accrued to (but excluding) the date fixed for purchase. In that event, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including pursuant to Condition 11 of the Notes), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes action on behalf of the Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such action directly.

The Notes may be subject to interest rate risk

Noteholders may suffer unforeseen losses due to fluctuations 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. Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Notes may be subject to 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.

A change in Singapore law which governs the Notes may adversely affect Noteholders

The Notes are governed by Singapore law in effect as at the date of issue of the Notes. 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 issue of the Notes.

The Notes may be subject to Singapore tax risk

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 2023 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 “SINGAPORE 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.

THE ISSUER – PUBLIC UTILITIES BOARD

History and Business

1. The Public Utilities Board (“**PUB**”), Singapore’s national water agency, is a statutory board under the Ministry of Sustainability and the Environment (“**MSE**”). PUB was established on 1 May 1963 to take over the responsibility of providing electricity, water and piped gas from the former City Council. In a move by the Singapore Government to privatise certain national assets, the electricity and gas operations of PUB were transferred to certain successor companies under Temasek Holdings (Private) Limited in 1995. In 2001, PUB was reconstituted to become Singapore’s national water authority, overseeing the entire water loop.
2. The principal activities of PUB are to supply water to the public and to act as agent for the Singapore Government in the construction, management and maintenance of the public sewerage systems, public sewers, and storm water drainage systems belonging to the Singapore Government. From April 2020, PUB also took on the responsibility of protecting Singapore’s coastline from sea level rise as the national coastal protection agency.
3. In the early years of nation building, with limited land to collect and store rainwater, Singapore faced drought, floods and water pollution. These challenges inspired PUB to strategise and seek innovative ideas, develop capabilities and secure a sustainable supply of water.
4. As at the date of this Information Memorandum, PUB has developed a diversified and sustainable water supply strategy for Singapore with the Four National Taps. The Four National Taps are local catchment water, imported water, NEWater and desalinated water. PUB’s water treatment processes are designed to ensure that Singapore’s drinking water is well within World Health Organisation’s guidelines for drinking water.

Local Catchment Water

5. PUB has continually invested in new reservoir schemes to increase local water sources. These investments have increased the number of reservoirs from three during Singapore’s Independence to 17 as at the date of this Information Memorandum. As much as two thirds of Singapore’s land area is utilised as water catchment to collect rainwater for Singapore’s water supply. PUB currently operates seven water treatment plants in Singapore, the most recent being Lower Seletar Waterworks which was completed in 2015, to treat raw water from Singapore’s local water catchment into potable water for consumption.

Imported Water

6. Singapore imports water from Johor, Malaysia under the 1962 Water Agreement, under which Singapore is granted the full and exclusive right to draw 250 mgd from the Johor River until 2061. Raw water from the Johor River is treated in the Johor River Waterworks before transmission via pipelines to Singapore. PUB also maintains and operates the Linggiu Reservoir under the 1990 Agreement to construct and operate the reservoir, which agreement is supplementary to the 1962 Water Agreement.

NEWater

7. To make Singapore’s water supply system even more reliable and resilient in meeting future demand for water, PUB has leveraged on new technologies to develop alternative sources of water such as NEWater and desalinated water. NEWater refers to the high-grade recycled water that is reclaimed from used water using advanced membrane technologies.

8. Used water collected from homes and buildings is sent to the Water Reclamation Plants (“WRPs”) for treatment to a quality that is suitable for production of NEWater or discharged into the seas. At the NEWater plants, the treated used water is further purified using microfiltration and reverse osmosis to remove contaminants, bacteria and viruses, and then disinfected using ultraviolet light.
9. NEWater is primarily supplied to non-domestic sectors such as wafer fabrication plants, petrochemical plants, manufacturing industries and commercial buildings for industrial and air-conditioning purposes. A small percentage of NEWater is also injected into and mixed with the reservoirs waters before being treated at the waterworks for drinking water supply.
10. PUB owns and operates two NEWater plants while another three were designed, built and operated by the private sector under the Designed, Built, Owned and Operated (“DBOO”) model. The latest NEWater plants developed under the DBOO model, viz. Changi NEWater Factory 1 and Changi NEWater Factory 2, were built and operated by Sembcorp Industries Ltd and BEWGI-UE NEWater (S) Pte Ltd consortium in 2010 and 2017 respectively. PUB is also in the process of building a third Changi NEWater Factory which will be owned and operated by PUB. This new plant will replace the existing Bedok NEWater Factory upon commissioning and is expected to complete in 2024.

Desalinated Water

11. Like NEWater, desalinated water is a weather-independent source that adds to the drought resilience of Singapore’s water supply. As at the date of this Information Memorandum, there are a total of five desalination plants. This includes the Jurong Island Desalination Plant, awarded to Tuas Power Ltd–Singapore Technologies Marine Ltd consortium under the DBOO model, which started operations in April 2022. PUB will implement a Blue Energy pilot at the Changi Water Reclamation Plant in 2022 with the aim to offset 0.5 kWh/m³, or 20% of the energy consumption for desalination. PUB is also scaling up the development of biomimetic membranes which has the potential to lower the energy required for seawater desalination processes by 0.4kWh/m³ respectively. In 2023, a desalination Integrated Validation Plant will be commissioned to trial promising technologies to reduce the energy consumption of desalination. Through the scale up and validation of the various desalination technologies, PUB aims to demonstrate a total system desalination energy of 2 kWh/m³ by 2025.
12. With water demand in Singapore projected to double in 2060 from today’s 430 mgd, PUB is working to progressively expand the capacities of NEWater and desalination.

Used Water

13. To keep pace with industrial, housing and commercial developments, Singapore has developed an extensive and efficient used water system to collect and treat all used water to a quality suitable for production of NEWater, and for safe discharge into the sea.

Sewerage Networks

14. PUB maintains a comprehensive used water system, comprising over 3,589km of sewers, 80km of pumping mains, 48km of Phase 1 Deep Tunnel Sewerage System (“DTSS”) deep tunnels and 72 pumping installations.

- To ensure that there is sufficient NEWater to meet future demand, PUB is developing DTSS Phase 2, to be completed by 2026. DTSS Phase 2 will extend the existing deep tunnel system to serve the western part of Singapore, including the downtown area and major upcoming developments such as Tengah Town. DTSS Phase 2 will comprise two major components: a conveyance system of 40km deep sewer tunnels and 60km link sewers running from the city area to the west, and a new centralised WRP at Tuas. Once Phase 2 is completed, the existing conventional WRPs at Ulu Pandan and Jurong, as well as intermediate pumping stations, will be progressively phased out and the land freed up for higher value development.

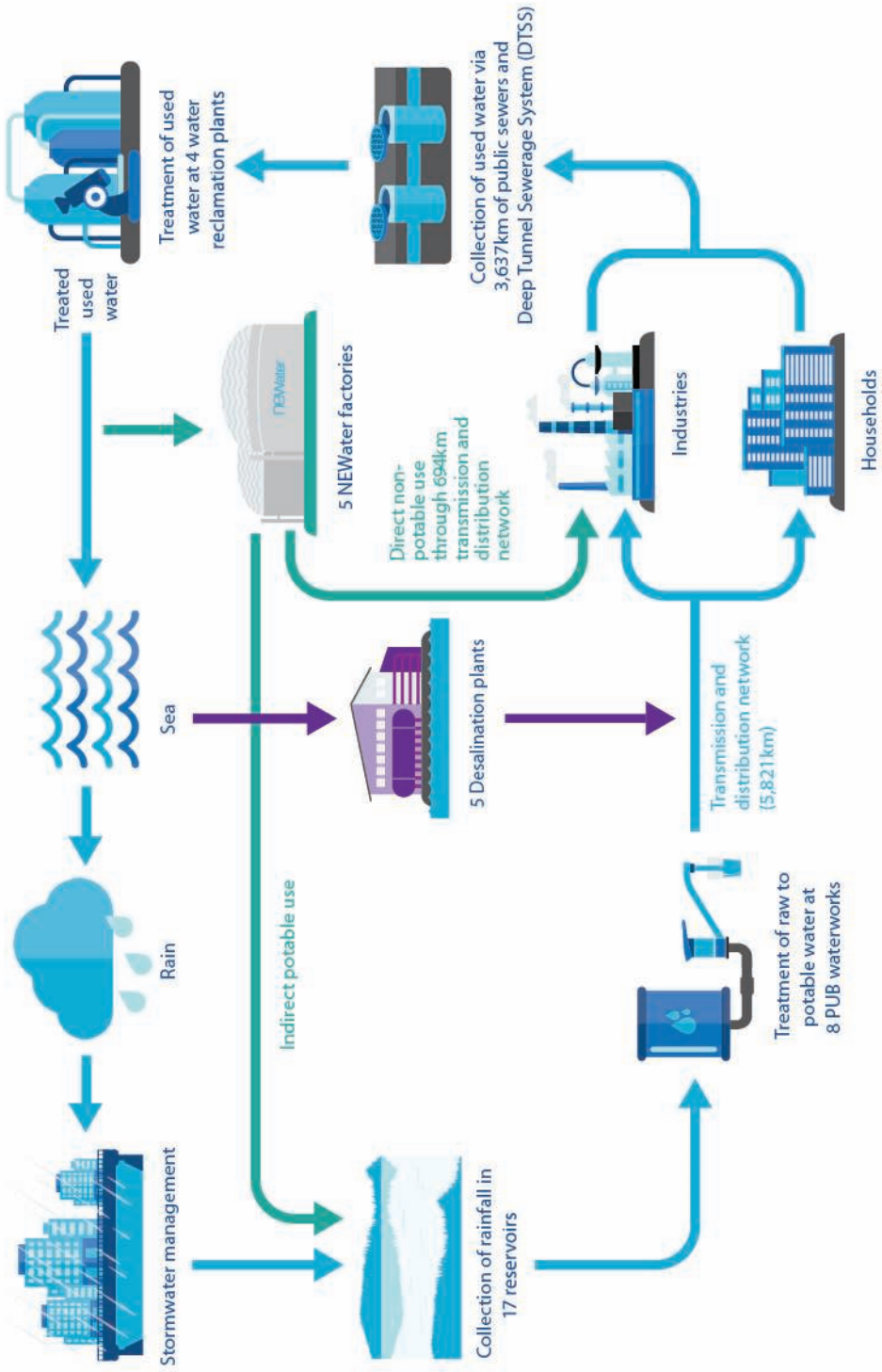
Completed deep tunnel systems linking three WRPs in 2026



Water Reclamation Plants

- PUB currently operates and maintains four large municipal WRPs in Singapore, viz. Changi WRP, Ulu Pandan WRP, Jurong WRP and Kranji WRP. A new WRP, viz. Tuas WRP (“**TWRP**”) is being constructed and is expected to be completed in 2026. A key component of the DTSS Phase 2 Project, Tuas WRP will incorporate advance technologies that improve energy efficiency and reduce manpower requirements. Besides being compact in design, the Tuas WRP will be greener than existing WRPs. Sludge at TWRP will undergo thermal hydrolysis as pre-treatment; this process allows TWRP to produce less sludge, thus reducing the cost of sludge disposal. A new NEWater factory, fully integrated with Tuas WRP, will also be built to further water recycling.
- Tuas WRP will be integrated with National Environment Agency’s Integrated Waste Management Facility (“**IWMF**”) to form the Tuas Nexus, harnessing the potential synergies of the water-energy-waste nexus. For example, pre-treated food waste from IWMF will be co-digested with used water sludge in Tuas WRP’s digesters. This co-digestion will produce more biogas, which will be fed back to the IWMF to increase its thermal efficiency and generate more electricity for use by the two plants. The excess electricity generated will be exported to the national grid. By harnessing synergies from both facilities, potentially 200,000 tonnes of carbon emissions can be reduced annually.

Infographics on PUB's Strategy for a Sustainable Water Supply



Ensuring Adequate, Sustainable and Resilient Water Supply Networks

18. To ensure that PUB's water system remain adequate, sustainable and resilient amidst the challenges of an expected increase in water demand and risks of weather extremities, PUB is also focused on expanding its water supply networks, boosting resilience and renewal of network assets, making improvements in drainage to enhance flood protection, and deploying technologies to boost productivity, improve customer experience and operations.

Water Supply Network

19. Singapore's water supply network comprises about 6,515km of transmission and distribution mains, including 5,821km of potable water ("PW") pipelines, 649km of NEWater ("NW") pipelines and 45km of industrial water ("IW") pipelines. PUB will continue to extend the water supply network to meet the increasing water demand due to new developments and redevelopments, and to enhance the resilience of the network.
20. PUB has a total of 23 pipeline (diameter 700mm and above) and two Service Reservoir ("SR") projects on-going for the PW supply network. Another two pipeline projects and one SR project are planned to commence in 2022/2023. To meet the NW and IW demand for the next five to ten years, PUB has seven on-going and upcoming NW/IW projects. The two pipeline projects will extend Singapore's water supply network by an additional approximately 140km of pipeline.

Drainage

21. Two-thirds of Singapore's land area is used as water catchment. Rainwater that falls on these areas is collected through a comprehensive network of over 8,000km of drains, canals and rivers, and channelled to the 17 reservoirs as a source of water supply. To address the challenges posed by growing urbanisation and increasing weather uncertainties, PUB has adopted a system-wide approach known as the "Source-Pathway-Receptor" approach, which looks at catchment-wide solutions to achieve higher flood protection. This holistic approach introduces flexibility and adaptability to Singapore's entire drainage system, addressing not just the drains and canals through which stormwater flows (i.e. "Pathway"), but also in areas generating stormwater runoff (i.e. "Source") and areas where floods may occur (i.e. "Receptor").

Managing Runoff at Source

22. Since 1 January 2014, new commercial, residential, industrial and institutional developments and re-developments that are 0.2 hectares and larger are required to implement source measures to control their peak runoff discharged into the public drainage system. They provide temporary storage of rainwater on-site during a rain event and reduce the likelihood of the drainage system being overwhelmed.

Enhancing the Pathways

23. In 2011, PUB raised drainage design standards to provide additional flood protection against higher-intensity storms. Depending on the size of the catchment, this could mean an increase between 15% and 50% in drainage capacity. PUB has been carrying out an island-wide drainage improvement programme to progressively upgrade drains to meet the higher standards under the current edition of the Code of Practice on Surface Water Drainage.

Protecting the Receptors

24. In 2011, PUB stipulated higher minimum platform and crest levels for developments. In 2013, higher platform and crest levels were stipulated for special facilities (i.e. MRT stations, airport runways and wafer fabrication plants) and buildings with direct or indirect connections to underground facilities such as underground MRT stations. Requirements for regular inspection of flood protection measures were also refined.

Coastal Protection

25. In April 2020, PUB was appointed the national coastal protection agency to spearhead and coordinate Whole-of-Government efforts in coastal protection to protect Singapore from the threat of sea level rise brought about by climate change. PUB will be planning for coastal and inland flooding protection holistically to strengthen Singapore's flood resilience against climate change.
26. In the next few years, PUB will be focused on the following: (i) developing a policy and regulatory framework, (ii) developing a coastal protection masterplan, (iii) conducting Site-Specific Studies progressively for various segments of Singapore's coastline to formulate adaptation pathways and develop designs for coastal protection measures, (iv) developing a Coastal-Inland Flood Model; (v) building PUB's coastal protection capabilities through local and international collaboration with research institutions and industry in research to support PUB's coastal protection workstreams; and (vi) engaging a Coastal Protection Expert Panel to provide strategic advice to PUB's coastal protection strategies and plans.

Water Demand Management

27. Ensuring adequate water supply is only half of the equation. It is equally important to manage water demand to ensure that it does not increase to unsustainable levels. To this end, PUB adopts a three-prong strategy to manage water demand:

- Pricing

In Singapore, water is priced to reflect the cost of supplying the next drop of water, which will likely be from NEWater and desalination. This reflects its scarcity value and ensures prudent use of water.

- Mandatory Water Efficiency Requirements

PUB has introduced mandatory measures to drive water savings in households and businesses. These include requiring minimum water efficiency requirements for water fittings such as taps/mixers, dual-flush low capacity flushing cisterns, urinal flush valves, waterless urinals, and household washing machines and dishwashers. More recently, PUB has also extended the Mandatory Water Efficiency Labelling Scheme ("MWELS") to include water closet ("WC") flush valves and only 2-tick rating and above WC flush valves are allowed for supply and installation in Singapore. PUB also introduced minimum water efficiency standards for the supply of commercial equipment (i.e. washer extractors, commercial dishwashers and high-pressure washers). Suppliers are required to indicate the water efficiency of water fittings and appliances with prominent labelling under the MWELS. Since 2015, businesses which are identified as large water users have to develop Water Efficiency Management Plans, which require them to establish water management systems as well as propose water conservation measures for implementation.

- Public Outreach

PUB conducts extensive community outreach efforts in water conservation with partners from both the public and private sectors.

For example, to further drive water efficiency within households, PUB launched the Water Closet Replacement Project in June 2017 to help households that are on community assistance schemes and living in HDB flats save water by replacing their non-water-efficient 9-litre water closets with more efficient ones. Non-water-efficient wash basin taps and kitchen sink taps are replaced at the same time. These households can expect to use up to 5 litres less of water per full flush after their water closets have been replaced, and save up to 10% in monthly water usage. PUB has replaced about 14,100 WCs in some 7,500 households under this project.

In addition, PUB also initiated the Smart Shower Programme to install smart shower devices for about 10,000 new homes since 2018. To date, PUB has completed installing about 18,700 Smart Shower Devices in 11,000 new homes, and it is currently reviewing the programme's results with HDB for future rollout. This programme builds on a study done in 2015/16 with 500 households which showed that users provided with real time information and optimal goal setting through the use of a smart shower device can save an average of 5 litres of water/person/day, or approximately 3% of a household's monthly water usage.

ABC Waters Programme

28. In addition to water conservation efforts, PUB also launched the Active, Beautiful, Clean Waters ("**ABC Waters**") Programme in 2006 as a long-term initiative to transform Singapore's utilitarian drains, canals and reservoirs into beautiful streams, rivers and lakes, that are well integrated with the surrounding parks, community spaces and built environment. As of February 2022, PUB has completed 50 ABC Waters projects. These include iconic projects such as the naturalisation of Kallang River in Bishan Ang Mo Kio Park, and the re-vitalised Rochor Canal that has been integrated into the surrounding cityscape.
29. In July 2010, PUB introduced the ABC Waters certification scheme to recognise government agencies and private developers that adopt the ABC Waters concept and incorporate ABC Waters design features into developments. As of February 2022, 98 projects have been awarded ABC Waters certification. Community feedback on the ABC Waters Programme has been positive.

Technology

30. On the technology front, PUB collaborates with global and local water industry players and academia to develop and deploy new technologies that enhance PUB's operations and meet PUB's vision and mission. PUB also facilitates the test-bedding of new technologies in PUB installations by its industry partners. PUB's R&D foci are on increasing water resources, keeping costs competitive, and managing water quality and security. To support these endeavours, PUB's R&D projects cover the entire spectrum from fundamental research to pilot studies and finally, to demonstration-scale studies. To bridge the transition from upstream research to the pilot- and demonstration-scale work, PUB works with the researchers to bring lab-work into viable products for deployment in the field.

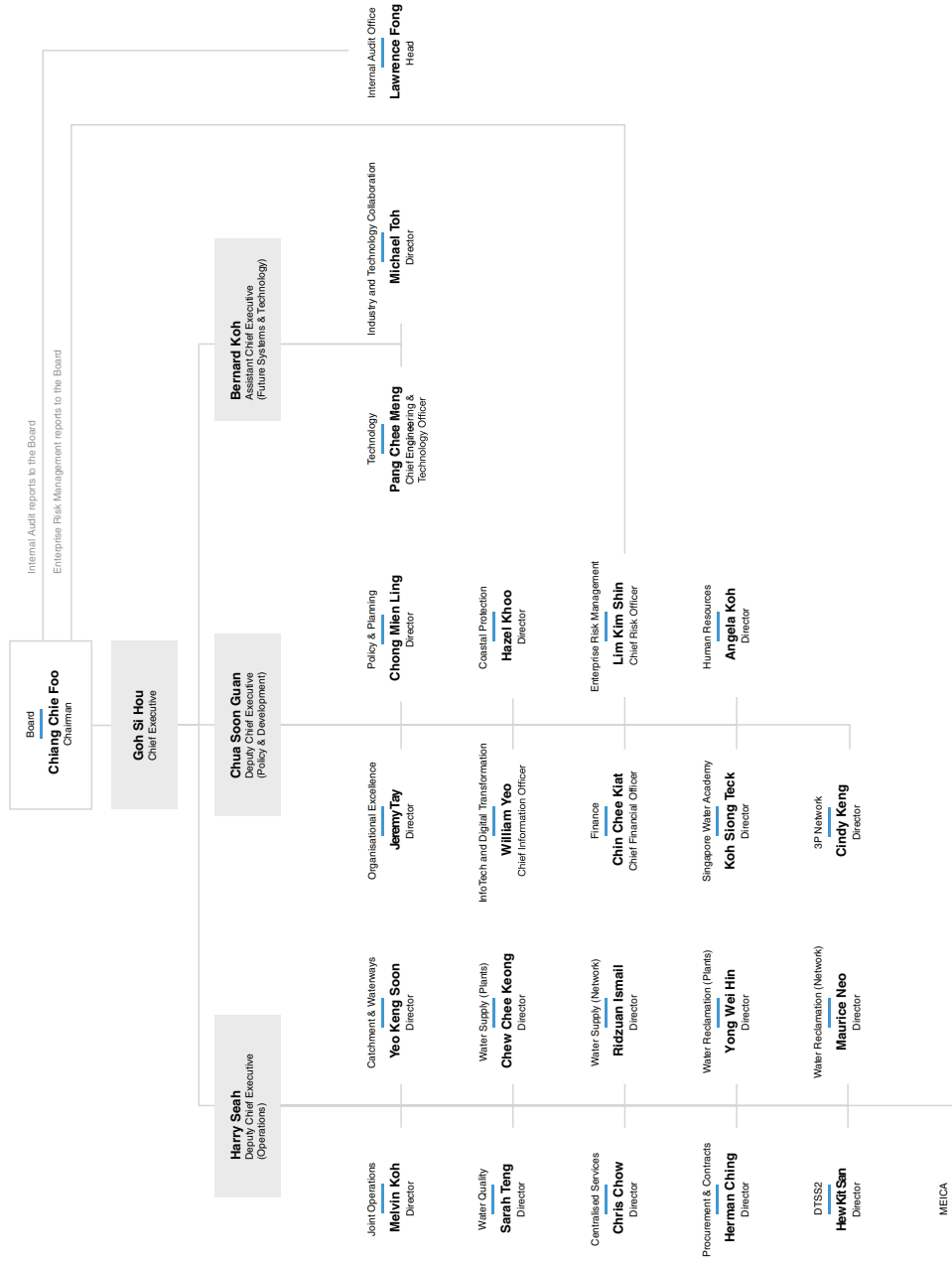
Organisation Structure

31. Since 1 January 2018, PUB has been reorganised into three core clusters to better accomplish its mission:

- Operations: comprises departments responsible for the planning and design, operation and maintenance, construction and project management of PUB's engineering operations within the drinking water, used water and drainage domains; and departments responsible for key operational functions and services that cut across the water system.
- Policy and Development: comprises departments responsible for PUB's policy and development, strategic risk management, digital transformation, cybersecurity readiness and organisational support functions.
- Future Systems and Technology: comprises departments responsible for water technology innovation and research, and the development of the water industry.

Organisation Structure (continued)

The chart showing the organisation structure of PUB is set out below:



*As of 22 Jul 2022

Water Charges and Waterborne Taxes

32. All water consumption in Singapore is metered. PUB prescribes, with the approval of the Minister for Sustainability and the Environment (who also prescribes the waterborne taxes), charges for water supply. PUB also collects a Water Conservation Tax on behalf of the Singapore Government to reinforce the message that water is precious. Water prices were revised most recently in July 2018. PUB actively manages the water infrastructure and operational costs, and will work with the Singapore Government on adjustments to water prices when necessary.

Financing of Public Utilities Board

33. PUB finances its operations and infrastructure costs for water supply and used water treatment, as well as the maintenance of used water reticulation network through water charges and waterborne taxes. It also receives funds from the Singapore Government to defray the operating and development costs of drainage network, as well as the development costs of used water reticulation network, both of which are owned by the Singapore Government. PUB also receives funds from the Singapore Government and the Singapore Totalisator Board for the construction of ABC Waters projects that are owned by the Singapore Government.
34. PUB may borrow or raise funds to finance its own infrastructure development projects. The principal repayment, interest and other charges incurred for the purpose of borrowing will be met out of the tariffs and fees earned from PUB's self-financed operations and from its retained earnings.
35. Since assuming the additional role as the nation's Coastal Protection Agency, PUB is also charged with the function to manage and administer the new Coastal and Flood Protection Fund ("CFPF"). An initial funding of S\$5 billion was injected from the Singapore Government to CFPF in 2020. The monies in the CFPF are ring-fenced for capital and non-recurrent coastal protection and drainage-related expenditures.

PUB SUBSIDIARIES

PUB Consultants Private Limited

36. PUB Consultants Private Limited ("**PUBC**"), previously known as Singapore Utilities International Pte Ltd, incorporated in Singapore, is a wholly-owned subsidiary of PUB. PUBC harnesses PUB's experience and resources to support activities that grow and promote technologies that are key to PUB's operational needs, in collaboration with Singapore-based companies and other stakeholders.

Singapore International Water Week Pte. Ltd.

37. Singapore International Water Week Pte. Ltd. ("**SIPL**") is a wholly-owned subsidiary of PUBC which is in turn a wholly-owned subsidiary and the commercial arm of PUB. The principal activity of the company is to organise the Singapore International Water Week.

SELECTED FINANCIAL INFORMATION

The following tables present selected consolidated financial information for PUB, its wholly-owned subsidiary, PUBC, and PUBC's wholly-owned subsidiary, SIPL, for the financial years ended 31 March 2021 and 31 March 2020:

Statements of Comprehensive Income

	<u>Group</u>		<u>PUB</u>	
	31 March 2021 S\$'000	31 March 2020 S\$'000	31 March 2021 S\$'000	31 March 2020 S\$'000
Operating income	1,418,973	1,447,273	1,418,973	1,447,162
Operating expenses	(1,408,864)	(1,417,507)	(1,408,079)	(1,417,024)
Net operating gain	10,109	29,766	10,894	30,138
Net non-operating income	59,813	91,342	59,806	91,841
Net income before finance expenses and operating grants	69,922	121,108	70,700	121,979
Finance expenses	(37,964)	(35,480)	(37,964)	(35,479)
Net gain before operating grants	31,958	85,628	32,736	86,500
Operating grants from government	381,712	355,138	381,712	355,010
Net income after government grants and before contribution to Consolidated Fund and taxation	413,670	440,766	414,448	441,510
Contribution to Consolidated Fund	(70,463)	(75,061)	(70,463)	(75,061)
Taxation	7	15	-	-
Net income after government grants and after contribution to Consolidated Fund and taxation	343,214	365,720	343,985	366,449
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Net re-measurement gain/(loss) on pension obligation	446	(1,486)	446	(1,486)
Total comprehensive income	343,660	364,234	344,431	364,963
Attributable to:				
Shareholder of PUB	343,660	364,234	344,431	364,963

Statements of Financial Position

	<u>Group</u>		<u>PUB</u>	
	31 March 2021 S\$'000	31 March 2020 S\$'000	31 March 2021 S\$'000	31 March 2020 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	397,829	615,420	395,453	613,145
Inventories	89,422	71,678	89,422	71,678
Trade and other receivables	143,184	172,650	142,810	172,103
Prepaid and deferred expenses	13,810	312	13,803	295
	644,245	860,060	641,488	857,221
Non-current assets				
Property, plant and equipment	8,709,201	8,241,303	8,709,201	8,241,287
Investment in subsidiaries	–	–	100	100
Prepaid and deferred expenses	5,128	10,395	4,773	10,039
	8,714,329	8,251,698	8,714,074	8,251,426
Total assets	9,358,574	9,111,758	9,355,562	9,108,647
LIABILITIES				
Current liabilities				
Trade and other payables	434,317	544,901	433,047	544,362
Provision for pension	5,318	9,026	5,318	9,026
Provision for contribution to Consolidated Fund and taxation	70,462	75,060	70,462	75,060
Lease liabilities	47,559	38,935	47,559	38,920
Deferred income	14,710	15,791	14,710	15,745
Borrowings	–	300,000	–	300,000
	572,366	983,713	571,096	983,113
Non-current liabilities				
Lease liabilities	703,879	387,485	703,879	387,485
Deferred income	487,946	489,724	487,432	489,212
Borrowings	1,000,000	1,000,000	1,000,000	1,000,000
Provision for asset restoration obligations	13,393	14,562	13,393	14,562
	2,205,218	1,891,771	2,204,704	1,891,259
Total liabilities	2,777,584	2,875,484	2,775,800	2,874,372
NET ASSETS	6,580,990	6,236,274	6,579,762	6,234,275
Equity				
Share capital	1,057	1	1,057	1
Retained earnings	1,228	1,999	–	–
Capital account	6,572,705	6,228,274	6,572,705	6,228,274
Water Efficiency Fund	6,000	6,000	6,000	6,000
	6,580,990	6,236,274	6,579,762	6,234,275
Supplementary information				
Net assets/(liabilities) of trust funds	4,923,289	(49,985)	4,923,289	(49,985)

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of Notes under the Programme (after deducting issue expenses) will be used for general corporate purposes of the Group, including refinancing of borrowings, financing general working capital and capital expenditure requirements of the Group or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

In respect of the 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 (“**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 Global Note for persons holding the Notes in securities accounts with CDP (“**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.

Settlement of over-the-counter trades in the Notes through the Depository System may be effected through securities sub-accounts held with corporate depositors (“**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 a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers 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 Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore, and administrative guidelines and circulars issued by IRAS and 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 made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(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 of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger, the Trustee 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.

1. 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:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) 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%, and is proposed to be increased to 24% from the year of assessment 2024 pursuant to the Singapore Budget Statement 2022. 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:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium or 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 addition, as the Programme as a whole is arranged by DBS Bank Ltd., which is a Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes (the “**Relevant Notes**”) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be qualifying debt securities (“**QDS**”) for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as 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 available 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 derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) 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;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

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

- (A) 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 50.0% 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
- (B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue are beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
 - (I) any related party of the Issuer; or
 - (II) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

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

The term “**related party**”, in relation to a person (A), means any other person who, directly or indirectly, controls A, or is controlled, directly or indirectly, by A, or where A 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 any of 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 (including for the reasons described above) shall include such income in a return of income made under the ITA.

2. 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 who are required to apply Singapore Financial Reporting Standard (“FRS”) 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 (“SFRS(I) 9”) (as the case may be) 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, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes”.

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 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. IRAS has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) 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 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. IRAS 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.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. 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 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.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction. The Arranger, the Dealers or any of their respective affiliates may purchase Notes for its own account or enter into secondary market transactions or derivative transactions relating to the Notes, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Notes. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Notes). As a result of such transactions, the Arranger, the Dealers or any of their respective affiliates may hold long or short positions relating to the Notes.

The Arranger, the Dealer(s) and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer from time to time. In the ordinary course of their various business activities, the Dealer(s) and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution. Notes being "offered" should be read as including any offering of the Notes to the Arranger, 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.

While the Arranger, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arranger, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. The Arranger, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

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 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.

The 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, 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 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 Issuing and 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 Issuing and 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 Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

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.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this 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:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
 - (c) not a qualified investor as defined in the Prospectus Regulation; and
- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable” in relation to each Member State of the European Economic Area, each Dealer will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State, except that it may make an offer of such Notes to the public in that Member State:

- (i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and, the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
 - (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Notes to the public in the United Kingdom:

- (i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which either (a) has been approved by the Financial Conduct Authority, or (b) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

- (iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Notes to the public**” in relation to any Note means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other Regulatory Restrictions

Each Dealer will be required to represent, warrant and agree that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) 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 (b) 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 FSMA by the Issuer;
- (ii) 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
- (iii) 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.

Hong Kong

Each Dealer appointed under the Programme will be required to represent and agree that:

- (i) 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 (the “**SFO**”) and any rules made under the SFO or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (ii) 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 SFO and any rules made under the SFO.

Singapore

Each Dealer appointed under the Programme will be required to acknowledge and each Dealer has acknowledged that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, each Dealer appointed under the Programme will be required to represent and agree and each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined under Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Issue 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 and the offer 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 into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

Each Dealer understands that no action has been or will be taken in any jurisdiction by such Dealer or the Issuer that would permit a public offering of the Notes, or possession or distribution of this Information Memorandum or any offering or publicity material relating to the Notes or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Information Memorandum, or any such other material and it will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions. The Issuer will have no responsibility for, and each Dealer will obtain, any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Notes under the laws and regulations in force in, any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives 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 inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL INFORMATION

1. The Members of the Issuer*

Mr. Chiang Chie Foo

Mr. Chiang Chie Foo is the Chairman of PUB, Singapore's National Water Agency. He is also the Chairman and Independent Director of Ascendas Property Fund Trustee Pte. Ltd, and the Chairman of AETOS Holdings Pte. Ltd. Mr Chiang is a Senior Advisor of the Ministry of Defence and holds directorship at Lee Kuan Yew Exchange Fellowship. He is also a member of the board of Epworth Community Services and Trustee to Asia Pacific Breweries Foundation.

Mr. Goh Si Hou

Mr. Goh Si Hou is the Chief Executive of PUB. He relinquished his role as the Chief of Army on 9 March 2022. Over the course of his career, he has held key command and staff appointment in the Singapore Armed Forces (SAF). He is not holding any directorship position currently.

Ms. Hwee Wai Cheng

Ms. Hwee Wai Cheng is Managing Director & Head of Group Technology and Operations at UOB, overseeing the global technology infrastructure and operations for the Group. She is the Chairman of Network for Electronic Transfers (S) Pte. Ltd. She also holds directorships in UOB Centre of Excellence (M) Sdn. Bhd., UOB Innovation Hub 2 Sdn. Bhd. and Singapore Clearing House Pte. Ltd. Ms Hwee is a Steering Committee member of the Asian Institute of Digital Finance and a member of the Enabling Lives Initiative Evaluation Panel.

Ms. Kam Su Cheun Aurill

Ms. Kam Su Cheun Aurill is a Director of Legal Clinic LLC. Ms Kam is a member of the Rules of Court Working Party and Monetary Authority of Singapore Appeal Advisory Panels under (a) Business Trusts Act; (b) Financial Advisers Act; (c) Insurance Act; (d) Securities and Futures Act; and (e) Trust Companies Act. She is also a civilian panel member of the Military Court of Appeal as well as a Panel Adjudicator at the Financial Industry Disputes Resolution Centre. In January 2022, she was appointed as a Commission member to the Competition and Consumer Commission of Singapore and member of Programme Advisory Committee, School of Law, Singapore University of Social Sciences.

Professor Low Teck Seng

Prof. Low Teck Seng is currently the Chief Executive Officer of the National Research Foundation, Singapore and a Director of NRF Holdings Pte. Ltd. He also holds directorships at Cambridge Centre for Advance Research in Energy Efficiency in Singapore, TUM Create Limited, Xora Innovation Pte. Ltd., ExcelPoint Technology Ltd., Revantha Technologies Pte. Ltd, Key Asic Berhad, UCrest Berhad, DSO National Laboratories and Chip Eng Seng Corp Ltd. Prof Low is also a board member of Singapore-MIT Alliance for Research & Technology Centre and SGIInnovate.

Mr. Abu Bakar Bin Mohd Nor

Mr. Abu Bakar Bin Mohd Nor is the Chairman and Director of Forward Vision Pte. Limited (including Fin (S.E) Asia, Forward Energy Pte. Ltd. and Forward Energy Resources Pte. Ltd.), InfoFabrica Holdings Pte. Ltd., Vizzio Technologies Pte. Ltd and SME Centre @ SMCCI Pte. Ltd. He is a member of the Board of Trustees of Singapore Institute of Technology and Deputy President to Singapore Malay Chamber of Commerce & Industry (SMCCI). Mr Abu Bakar also holds directorships at Majlis Ugama Islam Singapura (MUIS), Maritime and Port Authority, Yellow Leaf Holdings Pte. Limited, SMRT Corporation Limited (including RTS Operations Pte. Ltd. and RTS Operations Sdn. Bhd.) He is also a Non-Executive Director at Big Data Exchange (BDx).

* Appendix I, General Information on the Members of the Issuer is updated as of 28 July 2022.

Mr. Ng Peng Wah

Mr. Ng Peng Wah is the Chief Executive Officer of YTL PowerSeraya Pte. Ltd. He is also Company Director of the boards of YTL PowerSeraya Pte. Limited, Seraya Energy Pte. Ltd., Seraya Energy and Investment Pte. Ltd. and PetroSeraya Pte. Ltd., Orchard Westwood Properties Pte. Ltd. and Taser Power Pte. Ltd. He serves as Chairman of the Workplace Safety and Health Council and is also the Vice President of the Singapore National Employers Federation. Mr Ng is a member of the Ministry of Health – Diabetes Prevention and Care Taskforce.

Mr. Thiagarajan s/o Subramaniam

Mr. Thiagarajan s/o Subramaniam is the Director of Administration at the National Trade Union Congress (NTUC). He is not holding any directorship position currently.

Mr. Tan Siong Leng

Mr. Tan Siong Leng was formerly the Deputy Chief Executive of the Urban Redevelopment Authority (URA) before his retirement in September 2014. He is a member of the Development Project Advisory Panel of the Ministry of Finance and sits on the Expert Panel of the Centre for Liveable Cities.

Mr. Tan Wah Yeow

Mr. Tan Wah Yeow was formerly a Deputy Managing Partner of KPMG Singapore. He is currently a Non-Resident Ambassador to the Kingdom of Norway and holds independent Non-Executive Directorships at Genting Singapore Limited, Mapletree Logistics Trust Management Ltd., Sembcorp Marine Ltd. and M1 Limited. Mr Tan is the Executive Committee member of MILK (Mainly I Love Kids). He is also an Independent member of the investor Committee of the Mapletree Europe Income Trust (MERIT) and Mapletree US Income Commercial Trust (MUSIC).

2. Borrowings

- (a) No debentures of the Issuer are under option or agreed conditionally or unconditionally to be put under option and no person has been, or is entitled to be, given an option to subscribe for any debentures of the Issuer.
- (b) No debentures of the Issuer have been issued or are proposed to be issued, as fully or partly paid-up for cash or for a consideration other than cash, within the two years preceding the date of this Information Memorandum.
- (c) Save as disclosed in Appendix II, as at 31 March 2021, the Issuer has no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. Working Capital

The Issuer is of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for its present requirements.

4. Changes in Accounting Policies

There have been no significant changes in the accounting policies of the Issuer since its audited financial accounts for the financial year ended 31 March 2021.

5. Litigation

So far as the Issuer is aware, there are no legal or arbitration proceedings pending or threatened against the Issuer or its subsidiaries the outcome of which, in the opinion of the Issuer, may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or of the Group.

6. Material Adverse Change

Save as disclosed in this Information Memorandum, there has been no material adverse change in the financial condition or business of the Issuer or of the Group since 31 March 2021.

7. Auditor's Consent

The Auditor of the Issuer has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and report in the form and context in which they appear in this Information Memorandum.

8. Documents Available for Inspection

Copies of the following documents may be inspected at 40 Scotts Road #22-01 Environment Building Singapore 228231 during normal business hours for a period of six months from the date of this Information Memorandum:

- (a) the Trust Deed;
- (b) the Agency Agreement; and
- (c) the annual reports of the Issuer for the financial years ended 31 March 2020 and 31 March 2021.

9. Functions, rights and obligations of the Trustee

The functions, rights and obligations of the Trustee are set out in the Trust Deed. The rights and interests of the Noteholders will be contained in the Trust Deed and such rights include the provision of covenants by the Issuer in favour of the Trustee. The Trust Deed does not contain any representations given by the Issuer to the Trustee.

**AUDITED FINANCIAL STATEMENTS OF THE ISSUER AND ITS
SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

The information in this Appendix II has been reproduced from the audited financial statements of the Issuer and its subsidiaries for the financial year ended 31 March 2021 and has not been specifically prepared for inclusion in this Information Memorandum.

**PUBLIC UTILITIES BOARD AND
ITS SUBSIDIARIES**

(Established under the Public Utilities Act, Chapter 261)

ANNUAL REPORT

For the financial year ended 31 March 2021

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

(Established under the Public Utilities Act, Chapter 261)

ANNUAL REPORT

For the financial year ended 31 March 2021

Contents

	Pages
Independent Auditor's Report	1
Statements of Comprehensive Income	7
Statements of Financial Position	8
Consolidated Statement of Changes in Equity	9
Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	13

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLIC UTILITIES BOARD

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Public Utilities Board (the "Board") and its subsidiaries (the "Group") and the statement of comprehensive income, statement of financial position and statement of changes in equity of the Board are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), the Public Utilities Act, Chapter 261 (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 Board as at 31 March 2021 and the consolidated results, consolidated changes in equity and consolidated cash flows of the Group and the results and changes in equity of the Board for the financial year ended on that date.

What we have audited

The financial statements of the Board and the Group comprise:

- the statements of comprehensive income of the Group and the Board for the financial year ended 31 March 2021;
- the statements of financial position of the Group and the Board as at 31 March 2021;
- the consolidated statement of changes in equity of the Group and the statement of changes in equity of the Board 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 Group 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 judgments; 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 PUBLIC UTILITIES BOARD
(continued)

Our Audit Approach (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 2021. 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 matter
<p>Carrying values of property, plant and equipment ("PPE") and assessment of useful lives of PPE</p> <p><i>Refer to note 2.9(b), note 3 and note 13 to the financial statements</i></p> <p>As of 31 March 2021, the carrying value of PPE of the Group amounted to \$8,709 million.</p> <p>We had focused our audit on the carrying value of PPE because PPE accounts for the majority of the Group's total assets and significant management judgement is involved in determining the useful lives of PPE. 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.</p> <p>Accordingly, we have identified this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained understanding and validated the key controls over the Group's processes for accounting of property, plant and equipment, and noted that the determination of useful lives of PPE which is being performed on an annual basis, takes into consideration asset utilisation rate, internal technical evaluation, operational plans and technological developments. • We reviewed the appropriateness of management's estimates of the useful lives of PPE as follows: <ul style="list-style-type: none"> i) Discussed with management on the operational plans of the PPE; ii) Assessed management's estimate for the useful lives of new PPE acquired by tracing to underlying documentary support such as project documentation, technical assessment and vendor's specifications; iii) Reviewed management's analysis of estimated useful lives of the 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; and iv) Compared the useful lives of the PPE against entities in the utilities industry based on published information of these entities. <p>Based on our audit procedures performed, we found management's estimates of the useful lives of PPE to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLIC UTILITIES BOARD (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. The other information 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 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 other information, 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 Public Sector (Governance) Act, the Act and SB-FRSs, and for such internal controls as management determines are necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its constitutional act and its dissolution requires Parliament's approval. In preparing the financial statements, management is responsible for assessing the Group'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 Group or for the Group 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLIC UTILITIES BOARD
(continued)

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

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.
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLIC UTILITIES BOARD (continued)

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

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 Board during the financial year are, in all material respects, in accordance with the provisions of the Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board; and
- (b) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.

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 Group 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 Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board. This responsibility includes monitoring related compliance requirements relevant to the Board, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLIC UTILITIES BOARD
(continued)

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 Public Sector (Governance) Act, the Act and the requirements of any other written law applicable to moneys of or managed by the Board.

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 Board's internal control. Because of the inherent limitations in any 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 Lee Kok Hooi.



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 22 July 2021

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

	Note	Group		Board	
		31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Operating income	4	1,418,973	1,447,273	1,418,973	1,447,162
Operating expenses	5	<u>(1,408,864)</u>	<u>(1,417,507)</u>	<u>(1,408,079)</u>	<u>(1,417,024)</u>
Net operating gain		10,109	29,766	10,894	30,138
Net non-operating income	6	<u>59,813</u>	<u>91,342</u>	<u>59,806</u>	<u>91,841</u>
Net income before finance expenses and operating grants		69,922	121,108	70,700	121,979
Finance expenses	7	<u>(37,964)</u>	<u>(35,480)</u>	<u>(37,964)</u>	<u>(35,479)</u>
Net gain before operating grants		31,958	85,628	32,736	86,500
Operating grants from government		<u>381,712</u>	<u>355,138</u>	<u>381,712</u>	<u>355,010</u>
Net income after government grants and before contribution to Consolidated Fund and taxation		413,670	440,766	414,448	441,510
Contribution to Consolidated Fund Taxation	8(a) 8(b)	<u>(70,463) 7</u>	<u>(75,061) 15</u>	<u>(70,463) -</u>	<u>(75,061) -</u>
Net income after government grants and after contribution to Consolidated Fund and taxation		343,214	365,720	343,985	366,449
Other comprehensive income <u>Items that will not be reclassified to profit or loss</u>					
Net re-measurement gain/(loss) on pension obligation	16	<u>446</u>	<u>(1,486)</u>	<u>446</u>	<u>(1,486)</u>
Total comprehensive income		343,660	364,234	344,431	364,963
Attributable to:					
Shareholder of the Board		<u>343,660</u>	<u>364,234</u>	<u>344,431</u>	<u>364,963</u>


Chiang Chie Foo
Chairman


Ng Joo Hee
Chief Executive

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

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2021

	Note	Group		Board	
		31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	9	397,829	615,420	395,453	613,145
Inventories	10	89,422	71,678	89,422	71,678
Trade and other receivables	11	143,184	172,650	142,810	172,103
Prepaid and deferred expenses	12	13,810	312	13,803	295
		<u>644,245</u>	<u>860,060</u>	<u>641,488</u>	<u>857,221</u>
Non-current assets					
Property, plant and equipment	13	8,709,201	8,241,303	8,709,201	8,241,287
Investment in subsidiaries	14	-	-	100	100
Prepaid and deferred expenses	12	5,128	10,395	4,773	10,039
		<u>8,714,329</u>	<u>8,251,698</u>	<u>8,714,074</u>	<u>8,251,426</u>
Total assets		<u>9,358,574</u>	<u>9,111,758</u>	<u>9,355,562</u>	<u>9,108,647</u>
LIABILITIES					
Current liabilities					
Trade and other payables	15	434,317	544,901	433,047	544,362
Provision for pension	16	5,318	9,026	5,318	9,026
Provision for contribution to Consolidated Fund and taxation		70,462	75,060	70,462	75,060
Lease liabilities	17	47,559	38,935	47,559	38,920
Deferred income	18	14,710	15,791	14,710	15,745
Borrowings	19	-	300,000	-	300,000
		<u>572,366</u>	<u>983,713</u>	<u>571,096</u>	<u>983,113</u>
Non-current liabilities					
Lease liabilities	17	703,879	387,485	703,879	387,485
Deferred income	18	487,946	489,724	487,432	489,212
Borrowings	19	1,000,000	1,000,000	1,000,000	1,000,000
Provision for asset restoration obligations	20	13,393	14,562	13,393	14,562
		<u>2,205,218</u>	<u>1,891,771</u>	<u>2,204,704</u>	<u>1,891,259</u>
Total liabilities		<u>2,777,584</u>	<u>2,875,484</u>	<u>2,775,800</u>	<u>2,874,372</u>
NET ASSETS		<u>6,580,990</u>	<u>6,236,274</u>	<u>6,579,762</u>	<u>6,234,275</u>
Equity					
Share capital	21	1,057	1	1,057	1
Retained earnings		1,228	1,999	-	-
Capital account	22	6,572,705	6,228,274	6,572,705	6,228,274
Water Efficiency Fund	23	6,000	6,000	6,000	6,000
		<u>6,580,990</u>	<u>6,236,274</u>	<u>6,579,762</u>	<u>6,234,275</u>
Supplementary information					
Net assets/(liabilities) of trust funds	24	4,923,289	(49,985)	4,923,289	(49,985)

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

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2021

Note	← Group →				
	Share Capital	Retained earnings	Capital account	Water Efficiency Fund	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
31 March 2021					
Beginning of financial year	1	1,999	6,228,274	6,000	6,236,274
Net income after government grants and after contribution to Consolidated Fund and taxation for the year	-	343,214	-	-	343,214
Other comprehensive gain for the year	-	446	-	-	446
Total comprehensive income for the year	-	343,660	-	-	343,660
Issue of Shares	21	1,056	-	-	1,056
Transfer to retained earnings upon utilisation	23	-	1,422	(1,422)	-
Transfer to top up Water Efficiency Fund	23	-	(1,422)	1,422	-
Transfer to capital account	22	-	(344,431)	344,431	-
Total transactions with owners, recognised directly in equity		1,056	(344,431)	344,431	-
End of financial year		1,057	1,228	6,572,705	6,000
			6,572,705	6,000	6,580,990
31 March 2020					
Beginning of financial year	1	2,728	5,863,311	6,000	5,872,040
Net income after government grants and after contribution to Consolidated Fund and taxation for the year	-	365,720	-	-	365,720
Other comprehensive loss for the year	-	(1,486)	-	-	(1,486)
Total comprehensive income for the year	-	364,234	-	-	364,234
Transfer to retained earnings upon utilisation	23	-	1,375	(1,375)	-
Transfer to top up Water Efficiency Fund	23	-	(1,375)	1,375	-
Transfer to capital account	22	-	(364,963)	364,963	-
Total transactions with owners, recognised directly in equity		-	(364,963)	364,963	-
End of financial year		1	1,999	6,228,274	6,000
				6,228,274	6,236,274

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

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2021

Note	← Board →				Total \$'000
	Share Capital \$'000	Retained earnings \$'000	Capital account \$'000	Water Efficiency Fund \$'000	
31 March 2021					
Beginning of financial year	1	-	6,228,274	6,000	6,234,275
Net income after government grants and after contribution to Consolidated Fund and taxation for the year	-	343,985	-	-	343,985
Other comprehensive gain for the year	-	446	-	-	446
Total comprehensive income for the year	-	344,431	-	-	344,431
Issue of Shares	21	1,056	-	-	1,056
Transfer to retained earnings upon utilisation	23	-	1,422	(1,422)	-
Transfer to top up Water Efficiency Fund	23	-	(1,422)	1,422	-
Transfer to capital account	22	-	(344,431)	344,431	-
Total transactions with owners, recognised directly in equity		1,056	(344,431)	344,431	-
End of financial year		1,057	-	6,572,705	6,000
			6,572,705	6,000	6,579,762
31 March 2020					
Beginning of financial year	1	-	5,863,311	6,000	5,869,312
Net income after government grants and after contribution to Consolidated Fund and taxation for the year	-	366,449	-	-	366,449
Other comprehensive loss for the year	-	(1,486)	-	-	(1,486)
Total comprehensive income for the year	-	364,963	-	-	364,963
Transfer to retained earnings upon utilisation	23	-	1,375	(1,375)	-
Transfer to top up Water Efficiency Fund	23	-	(1,375)	1,375	-
Transfer to capital account	22	-	(364,963)	364,963	-
Total transactions with owners, recognised directly in equity		-	(364,963)	364,963	-
End of financial year		1	-	6,228,274	6,000
			6,228,274	6,000	6,234,275

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

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021

	Note	Group	
		31 March 2021 \$'000	31 March 2020 \$'000
Cash flows from operating activities			
Net gain before operating grants		31,958	85,628
Adjustments for:			
- Provision for property, plant and equipment write-off	5(c)	7,367	4,184
- Allowance for doubtful receivables, net	5(c)	3,546	1,956
- Allowance for inventory obsolescence	5(c)	132	203
- Reversal of write-down of inventory	5(c)	-	(51)
- Depreciation of property, plant and equipment	5(c)	376,804	350,978
- Loss/(gain) on disposal of property, plant and equipment	6	4,180	(8,265)
- Amortisation of deferred income	6	(15,877)	(16,879)
- Interest income from fixed deposits	6	(5,876)	(10,779)
- Finance expenses	7	37,964	35,480
		<u>440,198</u>	<u>442,455</u>
Change in working capital:			
- Trade and other receivables		17,862	2,012
- Prepaid and deferred expenses		(8,231)	(1,247)
- Trade and other payables, and provisions		(73,618)	8,741
- Deferred income		13,018	(6,379)
- Inventories		(17,876)	(3,072)
		<u>371,353</u>	<u>442,510</u>
Payment for Consolidated Fund and tax		(75,054)	(60,123)
Net cash provided by operating activities		<u>296,299</u>	<u>382,387</u>
Cash flows from investing activities			
Additions to property, plant and equipment		(455,062)	(568,843)
Disposal of property, plant and equipment		1,728	701
Interest income received		11,438	9,543
Net cash used in investing activities		<u>(441,896)</u>	<u>(558,599)</u>

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

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021

		<u>Group</u>	
	Note	31 March 2021 \$'000	31 March 2020 \$'000
Cash flows from financing activities			
Grants received from government		349,359	445,961
Repayment of borrowings		(300,000)	-
Payment of lease liabilities		(78,738)	(62,113)
Interest expense on fixed rate bonds		(42,615)	(42,498)
Net cash (used in)/provided by financing activities		(71,994)	341,350
Net (decrease)/increase in cash and cash equivalents		(217,591)	165,138
Cash and cash equivalents			
Beginning of financial year	9	615,420	450,282
End of financial year	9	397,829	615,420

Reconciliation of liabilities arising from financing activities

	1 April 2020 \$'000	Cash changes \$'000				Non-cash changes \$'000			31 March 2021 \$'000
		Principal repayments	Interest payments	Grants received from Gov't	Gov't grant utilised	Interest expense	Addition during the year	Write- back	
Advances received for government grants (Note 15)	113,610	-	-	349,359	(393,351)	-	-	-	69,618
Borrowings	1,300,000	(300,000)	-	-	-	-	-	-	1,000,000
Interest payable	14,160	-	(42,615)	-	-	37,956	-	-	9,501
Lease liabilities	426,420	(47,347)	(31,391)	-	-	31,391	372,365	-	751,438

	1 April 2019 \$'000	Cash changes \$'000				Non-cash changes \$'000			31 March 2020 \$'000
		Principal repayments	Interest payments	Grants received from Gov't	Gov't grant utilised	Interest expense	Addition during the year	Write- back	
Advances received for government grants (Note 15)	22,431	-	-	445,961	(354,782)	-	-	-	113,610
Borrowings	1,300,000	-	-	-	-	-	-	-	1,300,000
Interest payable	14,044	-	(42,498)	-	-	42,614	-	-	14,160
Lease liabilities	620,430	(39,038)	(23,075)	-	-	23,075	208	(155,180)	426,420

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

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

1. General information

Public Utilities Board (the "Board") is a statutory board continued under the Public Utilities Act (Chapter 261), which came under the purview of the Ministry of Sustainability and the Environment ("MSE") on 1 April 2001. The address of its registered office is 40 Scotts Road, Environment Building, #22-01, Singapore 228231.

The principal activities of the Board established under the Public Utilities Act (Chapter 261) (the "Act") are to supply water, provide used water services to the public, and act as agent to the Singapore Government (the "Government") in the construction, management and maintenance of the following belonging to the Government: public sewerage systems, public sewers, storm water drainage systems, and structures to safeguard against both inland flooding and coastal inundation risks. The principal activities of its subsidiaries are set out in Note 14 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the historical cost convention and are drawn up in accordance with the provision of the Public Sector (Governance) Act 2018, Act 5 of 2018 (the "Public Sector (Governance) Act"), the "Act" and Statutory Board Financial Reporting Standards ("SB-FRSs").

SB-FRSs include Statutory Board Financial Reporting Standards, Interpretations of SB-FRSs and SB-FRS Guidance Notes as promulgated by the Accountant-General. The Accountant-General is appointed as the legal authority to prescribe accounting standards for statutory boards under the Accounting Standards Act 2007 (No 39 of 2007) which came into effect on 1 November 2007.

The preparation of financial statements in conformity with SB-FRSs requires management to exercise its judgment 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.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2020

On 1 April 2020, 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 Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue is recognised when performance obligation is either satisfied over time or satisfied at a point in time. The main revenue streams are as follows:

(a) Revenue from water sales and used water services

Revenue from water sales and used water services are recognised at a point in time when the Group satisfies its performance obligations based on customers' consumption of water and used water services.

Revenue from used water services comprises waterborne fee, sanitary appliance fee and trade effluent fee.

(b) Rental income

Rental income is recognised on a straight-line basis over the period of the lease.

(c) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(e) Project management fee

Project management fee is recognised over time when the services are rendered.

2.3 Government grants

Grants are received for the operations and maintenance of drainage systems, the Active, Beautiful, Clean Waters Programme, coastal management and other government-funded activities.

Grants from the government are recognised as a receivable at their fair values when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position, and are amortised and charged to profit or loss over the period necessary to match the annual depreciation charge of these assets or when the assets are disposed or written off.

2.4 Group accounting

Subsidiaries

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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, intercompany transactions and 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.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.5 Contribution to Consolidated Fund and income taxes

(a) Contribution to Consolidated Fund

In lieu of income tax, the Board is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A.

(b) Income taxes

The Group's income tax expense comprises current and deferred tax of the subsidiaries. Current income tax liabilities for current and prior periods are recognised at the amounts expected to be paid to the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date.

Deferred income tax assets/liabilities are recognised for all deductible/taxable 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 assets/liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

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

Deferred income tax assets and liabilities are measured at:

- (i) 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 substantially enacted by the reporting date; and
- (ii) the tax consequence that would follow from the manner in which the Board's subsidiaries expect, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.5 Contribution to Consolidated Fund and income taxes (continued)

(b) Income taxes (continued)

Current and deferred income taxes are recognised as income or expenses in profit or loss for the period, except to the extent that the tax arises from a transaction which is recognised directly in statement of changes in equity.

2.6 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash at bank and deposits with financial institutions which are subject to an insignificant risk of change in value. These include cash with the Accountant-General's Department ("AGD"), that is managed by the AGD under the Centralised Liquidity Management as set out in the Accountant-General's Circular No. 4/2009 Centralised Liquidity Management for Statutory Boards and Ministries.

2.7 Inventories

The Group's inventories are consumables and spares used primarily for the treatment of water and used water; and maintenance of plant and equipment but not held for trading.

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Inventories which are considered obsolete, deteriorated or damaged are recorded in the allowance for write-down of inventories before the inventories are authorised to be written off.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.8 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets as amortised cost.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Debt instruments

Debt instruments of the Group mainly comprise cash and cash equivalents and trade and other receivables.

There are three subsequent measurement categories, depending on the Group's business model in managing the assets and the cash flow characteristic of the assets. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied is disclosed in Note 27.

For trade receivables, the Group applies the simplified approach permitted by the SB-FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.9 Property, plant and equipment

(a) Measurement

(i) Owned assets

On 1 May 1963, with the establishment of the Board, property, plant and equipment of the former City Council were vested in the Board at net book value. Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes its purchase price, cost of replacing part of the property, plant and equipment and any cost that is directly attributable to the acquisition, construction, production or bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When significant parts of property, plant and equipment are required to be replaced in intervals, such parts are capitalised and depreciated over their useful lives. The parts that are being replaced are written off. All other repair and maintenance costs are recognised in profit or loss as incurred.

The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(ii) Right-of-use assets

Property, plant and equipment under lease is capitalised at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less subsequent accumulated depreciation and impairment losses. Lease payments are allocated between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are taken to profit or loss.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.9 Property, plant and equipment (continued)

(b) Depreciation

Depreciation of property, plant and equipment is charged from the month of acquisition of the asset or available for use as intended by management and is calculated on the straight-line method to allocate the depreciable amounts over their estimated useful lives.

The estimated useful lives of depreciable property, plant and equipment are as follows:

	<u>Useful lives</u>
Leasehold land	18 to 99 years, or the remaining lease period
Land development and buildings ⁽¹⁾	30 to 100 years
Plant and equipment	5 to 50 years
Pipelines	50 to 70 years
Others (mainly meters, vehicles and computer systems)	4 to 15 years

⁽¹⁾ Buildings comprise mainly civil structure to house plant and equipment.

No depreciation is charged on freehold land.

Assets that are developed in conjunction with the Right-of-use assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Depreciation method, useful lives and residual values are reviewed and adjusted prospectively as appropriate, at each reporting date. The Group regularly reviews the useful lives of its property, plant and equipment. Arising from such reviews, property, plant and equipment which are obsolete, unserviceable or unidentifiable are written off.

(c) Disposal of assets

An item of property, plant and equipment is derecognised when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with its carrying amount, and are recognised net in profit or loss.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.10 Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Board's statements of financial position. On disposal of an investment in subsidiary, the difference between disposal proceeds and the carrying amounts of the investment is recognised in profit or loss.

2.11 Impairment of non-financial assets

*Property, plant and equipment
Investments in subsidiaries*

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.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

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

An impairment loss for an asset (or CGU) is reversed if, and only if, there has been a change in the estimates used to determine the asset's (or CGU's) recoverable amount since the last impairment loss was recognised. The carrying amount of an asset (or CGU) 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 (or CGU) in prior years.

A reversal of impairment loss for an asset (or CGU) is recognised in profit or loss.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.12 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

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

2.13 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.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.14 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

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

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

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the period when the employees rendered their services.

Employee entitlements to annual leave and performance bonus are recognised when they accrue to employees. A provision is made for the estimated liability for non-vesting annual leave and performance bonus as a result of services rendered by employees up to the reporting date.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.14 Employee compensation (continued)

(c) Pension benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Singapore Government Securities that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed using the projected unit credit method.

The Board, apart from the legally required contribution plans such as the Central Provident Fund, operates pension plans for pensionable employees transferred from the former Ministry of Environment. The Board's obligation is from 1 April 2001 to the earlier of the day of retirement and death of these employees. The provision for pension is recognised based on the hypothetical gratuity for each pensionable employee accrued from 1 April 2001 up to the reporting date. The hypothetical gratuity for each pensionable officer and Board's share of the gratuity is computed based on existing guidelines found in the Pension Act and circulars issued by the Public Service Division.

2.15 Borrowings costs

Borrowing costs consist of interest that the Group incurs in connection with its borrowings. Borrowing costs are expensed in the period they occur except for those costs that are attributable to the construction or development of the qualifying assets. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to qualifying assets that are financed by general borrowings.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.16 Leases

(a) *When the Group is the lessee:*

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate or a proxy which estimates the incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
 - Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
 - Amount expected to be payable under residual value guarantees
 - The exercise price of a purchase option if is reasonably certain to exercise the option; and
 - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.
-

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.16 Leases (continued)

(a) *When the Group is the lessee:* (continued)

- Lease liabilities (continued)

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be re-measured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is re-measured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.16 Leases (continued)

(b) *When the Group is the lessor:*

The Group leases land under operating leases to non-related parties.

- Lessor – Operating leases

Leases 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 the lessees) is recognised in profit or loss 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 profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.17 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 Dollar, which is the functional currency of the Board.

(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 exchange differences resulting from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

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

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. Significant accounting policies (continued)

2.18 Water Efficiency Fund

The Water Efficiency Fund was launched by the Board to encourage implementation of water conservation initiatives. The fund belongs to the Board and is reviewed periodically by the Board for adequacy. Additional contributions or refunds will be made to or from the fund as appropriate. Receipts and expenditure relating to the fund are accounted for directly in this fund on an accrual basis. Any utilisation of the fund during the financial year will be matched by transfers from the Board's retained earnings. Assets and liabilities of these funds are pooled with those of the Board in the statement of financial position.

2.19 Trust funds

The Board is an agent of the Government for the sewerage, drainage and coastal protection functions. The Board has been receiving funds from the Ministry of Sustainability and the Environment ("MSE") to defray the development costs of Government-owned used water reticulation networks and drainage network. Additionally, the Government injected a lump sum into the Coastal and Flood Protection Fund ("CFPF") in FY2020. The CFPF can be used to fund the development costs of Government-owned drainage networks and coastal protection infrastructure. However, utilisation of CFPF are only allowed for expenditures prescribed under Section 18A of the Public Utilities Act. MSE and Singapore Totalisator Board also provides funding to the Board for the construction projects under the Active, Beautiful, Clean Waters Programme, also owned by the Government. In addition, the Board also receives funds from the National Research Foundation ("NRF") for the disbursement of grants to grantees who are performing the water research and development ("R&D") activities. These funds are held in trust by the Board.

All transactions pertaining to activities supported by the funds are accounted for directly in the respective trust funds as set out in Note 24. Annual excess or shortfall in the funds after disbursing all development expenditure for MSE will be refunded to or recovered from MSE accordingly. The surplus funds received from Singapore Totalisator Board are returned when the construction of assets is completed. The surplus funds received from NRF will be returned upon completion of the water R&D activities. Upon the dissolution of the Coastal and Flood Protection Fund, the balance then remaining in the Fund will be transferred to the Consolidated Fund.

The net assets or liabilities of the funds do not form part of the Board's assets and liabilities but are shown separately in the Group's Statement of financial position. The funds are accounted for on an accrual basis.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

3. Critical accounting estimates, assumptions and judgements

The preparation of the Group's financial statements in conformity with SB-FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of critical judgements and estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Group reviews annually the estimated economic useful lives and residual values of property, plant and equipment based on factors that include asset utilisation rate, internal technical evaluation, operational plans and technological developments. If the estimated useful lives of property, plant and equipment were decreased/increased by 5%, the Group's depreciation charge would increase/decrease by \$19.8 million (2020: \$18.5 million).

4. Operating income

	<u>Group</u>		<u>Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Water sales	803,885	819,282	803,885	819,282
Used water services	615,088	627,880	615,088	627,880
Other operating income	-	111	-	-
	<u>1,418,973</u>	<u>1,447,273</u>	<u>1,418,973</u>	<u>1,447,162</u>

Operating income from water sales and used water services are recognised at a point in time.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4. Operating income (continued)

Trade receivables from contracts with customers

	<u>Group</u>			<u>Board</u>		
	31 March 2021 \$'000	31 March 2020 \$'000	1 April 2019 \$'000	31 March 2021 \$'000	31 March 2020 \$'000	1 April 2019 \$'000
Current assets						
Trade receivables from contracts with customers (Note 11)	98,408	111,139	114,876	97,871	110,551	111,747
Loss allowance (Note 11)	(9,491)	(7,298)	(6,498)	(9,491)	(7,298)	(6,498)
	88,917	103,841	108,378	88,380	103,253	105,249

5. Operating expenses

	Note	<u>Group</u>		<u>Board</u>	
		31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Direct operating expenses:					
- electricity		103,341	115,618	103,341	115,618
- manpower		263,130	277,720	262,293	276,114
- depreciation		361,094	338,052	361,078	338,008
- Provision for property, plant and equipment write-off		7,367	4,184	7,367	4,184
- property tax		21,801	24,494	21,801	24,494
- maintenance and others	5(a)	468,774	471,027	468,842	472,194
		1,225,507	1,231,095	1,224,722	1,230,612
Indirect operating expenses:					
- service departments' costs	5(b)	183,357	186,412	183,357	186,412
	5(c)	1,408,864	1,417,507	1,408,079	1,417,024

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

5. Operating expenses (continued)

- (a) Included in maintenance and others are expenses related to the purchase of raw water from the Government of the State of Johor. Prices for the purchase of raw water from and treated water sold to the Government of the State of Johor in accordance with the 1962 Water Agreement are based on the rate of 3 sen and 50 sen per thousand gallons respectively. The Malaysian Government had sought a review of the price of raw water. The Singapore Government's position is that Malaysia has lost the right of review.
- (b) Service departments' costs comprise manpower, depreciation, maintenance, administrative and other expenses.
- (c) Included in direct and indirect operating expenses are:

	Note	Group		Board	
		31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Board members' allowance and other benefits		233	235	216	218
Salaries and overtime allowances		285,328	310,535	284,581	309,031
Central/Employee Provident Fund		35,444	37,949	35,371	37,865
Other employee benefits		7,548	8,235	7,548	8,235
Electricity		103,555	115,873	103,555	115,873
Maintenance Expenses		277,219	262,200	277,945	263,696
Research and development expenses		14,774	19,910	14,774	19,910
Allowance for inventory obsolescence	10	132	203	132	203
Reversal of write-down of inventories	10	-	(51)	-	(51)
Allowance for doubtful receivables	27(b)	3,546	1,956	3,546	1,956
Depreciation of property, plant and equipment	13	376,804	350,978	376,788	350,934
Provision for property, plant and equipment write-off	13	7,367	4,184	7,367	4,184

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

6. Net non-operating income

	<u>Group</u>		<u>Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Rental income	10,700	11,153	10,700	11,153
Amortisation of deferred income	15,877	16,879	15,877	16,879
Interest income from fixed deposits	5,876	10,779	5,876	10,779
Project management fees	12,747	19,514	12,747	19,514
Disbursement from recoverable jobs	6,052	2,529	6,052	2,529
Other sundry income	12,819	22,410	12,811	22,410
Dividend income	-	-	-	500
Net foreign exchange loss	(78)	(187)	(77)	(188)
(Loss)/gain on disposal of property, plant and equipment - net	(4,180)	8,265	(4,180)	8,265
	<u>59,813</u>	<u>91,342</u>	<u>59,806</u>	<u>91,841</u>

7. Finance expenses

	Note	<u>Group</u>		<u>Board</u>	
		31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Pension interest expense	16	88	166	88	166
Interest expense on lease liabilities		31,391	23,075	31,391	23,074
Interest expense on fixed rate bonds		37,956	42,614	37,956	42,614
Accretion expense on asset restoration obligations		203	293	203	293
		<u>69,638</u>	<u>66,148</u>	<u>69,638</u>	<u>66,147</u>
Less: Amount capitalised in property, plant and equipment		(31,674)	(30,668)	(31,674)	(30,668)
		<u>37,964</u>	<u>35,480</u>	<u>37,964</u>	<u>35,479</u>

Finance expenses on general financing were capitalised at rates ranging from 3.19% to 3.27% per annum (2020: 3.28% per annum).

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

8. Contribution to Consolidated Fund and taxation

(a) 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).

	<u>Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000
Net income after government grants and before contribution to Consolidated Fund and taxation	414,448	441,510
Contribution to Consolidated Fund calculated at rate of 17% (2020: 17%)	70,456	75,057
Effects of:		
- Non-deductible donations	6	4
- Under provision in prior year	1	-
	70,463	75,061

(b) Income tax

Subsidiaries of the Board are subject to tax under the Singapore Income Tax Act.

	<u>Group</u>	
	31 March 2021 \$'000	31 March 2020 \$'000
Tax expense attributable to profit is made up of:		
- Current income tax	-	-
Over provision in prior financial years:		
- Current income tax	(7)	(15)
	(7)	(15)

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

8. Contribution to Consolidated Fund and taxation (continued)

(b) Income tax (continued)

The tax on the Group's net income after government grants and before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	<u>Group</u>	
	31 March	31 March
	2021	2020
	\$'000	\$'000
Net loss before tax of subsidiaries	(778)	(744)
Excluding intra group transaction	-	500
	(778)	(244)
Tax calculated at tax rate of 17% (2020: 17%)	(132)	(41)
Effects of:		
- expenses not deductible for tax purposes	1	-
- over provision of tax in prior financial years	(7)	(15)
- deferred tax assets not recognised	131	41
	(7)	(15)

(c) Deferred tax assets have not been recognised in respect of the following items:

	<u>Group</u>	
	31 March	31 March
	2021	2020
	\$'000	\$'000
Unutilised tax losses and capital allowances	1,863	1,106

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries of the Group could utilise the benefits there from.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

9. Cash and cash equivalents

	Note	<u>Group</u>		<u>Board</u>	
		31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Cash with AGD					
- Singapore Dollar	9(a)	382,989	596,555	382,989	596,555
Fixed and ACU deposits					
- Malaysia Ringgit	9(b)	6,790	11,167	6,790	11,167
- United States Dollar		121	609	121	609
Cash at bank	9(c)				
- Singapore Dollar		3,703	4,035	1,344	1,777
- Malaysia Ringgit		4,209	3,037	4,209	3,037
- United States Dollar		17	17	-	-
		397,829	615,420	395,453	613,145

- (a) Cash with AGD refers to cash that is managed by the Accountant-General's Department ("AGD") under the Government's Centralised Liquidity Management Framework for Statutory Boards and Ministries. The annualised interest rate for cash with AGD for the financial year ended 31 March 2021 for the Group is 0.79% (2020: 1.93%) per annum.
- (b) The weighted average interest rate per annum relating to fixed and Asian Currency Unit ("ACU") deposits for the financial year ended 31 March 2021 for the Group are 1.81% for Malaysian Ringgit and 0.02% for United States Dollar (2020: 2.58% for Malaysian Ringgit and 0.87% for United States Dollar).
- (c) Cash at bank earns interest at floating rates based on daily bank rates.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

10. Inventories

		<u>Group and Board</u>	
	Note	31 March 2021 \$'000	31 March 2020 \$'000
Pipes and fittings		1,388	733
Chemicals		9,565	1,770
Spare parts and accessories		75,479	65,977
Fuel and lubricants		2,908	3,220
Sundries and others		309	319
		<u>89,649</u>	<u>72,019</u>
Less: Allowance for inventory obsolescence	10(a)	<u>(227)</u>	<u>(341)</u>
		<u>89,422</u>	<u>71,678</u>

(a) Allowance for inventory obsolescence

		<u>Group and Board</u>	
		31 March 2021 \$'000	31 March 2020 \$'000
Beginning of financial year		341	1,783
Allowance made	5(c)	132	203
Reversal of write-down of inventories	5(c)	-	(51)
		<u>132</u>	<u>152</u>
Allowance utilised		<u>(246)</u>	<u>(1,594)</u>
End of financial year		<u>227</u>	<u>341</u>

The amount of inventories recognised as an operating expense for the financial year ended 31 March 2021 was \$25.6 million (2020: \$30.6 million).

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

11. Trade and other receivables

	Note	Group		Board	
		31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
<i>Current</i>					
Trade receivables	11(a)	98,408	111,139	97,871	110,551
Less: Allowance for impairment of trade receivables	27(b)	(9,491)	(7,298)	(9,491)	(7,298)
Trade receivables – net		88,917	103,841	88,380	103,253
Sundry receivables	11(b)	41,717	53,619	41,717	53,619
Less: Allowance for impairment of sundry receivables	27(b)	(1,421)	(1,424)	(1,421)	(1,424)
Sundry receivables – net		40,296	52,195	40,296	52,195
Other receivables		14	42	14	42
Deposits		261	220	261	209
Amounts due from government		13,696	16,352	13,696	16,306
Amounts due from subsidiaries		-	-	163	98
Total trade and other receivables		143,184	172,650	142,810	172,103
<u>Reconciliation to financial assets, at amortised cost</u>					
Total trade and other receivables		143,184	172,650	142,810	172,103
Add: Cash	9	397,829	615,420	395,453	613,145
Total financial assets, at amortised cost	27(f)	541,013	788,070	538,263	785,248

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

11. Trade and other receivables (continued)

- (a) Trade receivables mainly represent receivables from customers with respect to water supply and used water services. These amounts are unsecured and are generally on credit terms of 14 days. They are recognised at the billed amounts which represent their fair values on initial recognition.
- (b) Sundry receivables comprise the revenue and customer deposits collected by the Board's billing and collection agent, SP Services Limited, which have not been remitted to the Board, and other receivables for disbursement recoverable jobs billed and collected by the Board. These amounts are unsecured and are short-term in nature.

12. Prepaid and deferred expenses

Current prepaid expenses are payments made in advance for operating expenditure.

Non-current prepaid expenses comprise mainly payments made for property, plant and equipment where risk and title have not yet been transferred to the Group as at the reporting date.

Deferred expenses relate mainly to expenses incurred in the preparation and organisation of the Singapore International Water Week event which will be held in April 2022.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Property, plant and equipment

Group 31 March 2021 Cost	Properties - Land		Properties - development and buildings ⁽²⁾		Properties - Leasehold land		Plant and equipment		Pipelines		Others		Assets under construction		Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Beginning of financial year	981	3,174,573	837,972	4,100,801	3,031,835	186,981	1,049,171	12,382,314									
Additions	-	5,462	-	365,626	64	9,486	478,463	859,101									
Adjustments	-	(1,373)	-	64	-	-	-	(1,309)									
Transfers	-	50,378	9,896	154,636	118,320	16,606	(349,836)	-									
Disposals	-	(2,567)	-	(49,726)	(2,172)	(8,249)	-	(62,714)									
End of financial year	981	3,226,473	847,868	4,571,401	3,148,047	204,824	1,177,798	13,177,392									
Accumulated depreciation and provision for write-off																	
Beginning of financial year	-	1,144,959	111,411	1,984,542	787,443	112,656	-	4,141,011									
Depreciation charge	-	79,536	12,318	221,431	47,776	15,743	-	376,804									
Adjustments	-	(249)	-	64	-	-	-	(185)									
Transfers	-	(2,003)	-	1,988	12	3	-	-									
Disposals	-	(2,525)	-	(44,163)	(2,115)	(8,003)	-	(56,806)									
Provision for write-off	-	-	-	6,109	1,258	-	-	7,367									
End of financial year	-	1,219,718	123,729	2,169,971	834,374	120,399	-	4,468,191									
Net book value																	
End of financial year	981	2,006,755	724,139	2,401,430	2,313,673	84,425	1,177,798	8,709,201									

⁽²⁾ Buildings comprise mainly civil structure to house plant and equipment.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Property, plant and equipment (continued)

	Properties – Land \$'000	Properties - development and buildings ⁽²⁾ \$'000	Properties - Leasehold land \$'000	Plant and equipment \$'000	Pipelines \$'000	Others \$'000	Assets under construction \$'000	Total \$'000
Board								
31 March 2021								
<i>Cost</i>								
Beginning of financial year	981	3,174,513	837,972	4,100,801	3,031,835	186,981	1,049,171	12,382,254
Additions	-	5,462	-	365,626	64	9,486	478,463	859,101
Adjustments	-	(1,373)	-	64	-	-	-	(1,309)
Transfers	-	50,378	9,896	154,636	118,320	16,606	(349,836)	-
Disposals	-	(2,567)	-	(49,726)	(2,172)	(8,249)	-	(62,714)
End of financial year	981	3,226,413	847,868	4,571,401	3,148,047	204,824	1,177,798	13,177,332
<i>Accumulated depreciation and provision for write-off</i>								
Beginning of financial year	-	1,144,915	111,411	1,984,542	787,443	112,656	-	4,140,967
Depreciation charge	-	79,520	12,318	221,431	47,776	15,743	-	376,788
Adjustments	-	(249)	-	64	-	-	-	(185)
Transfers	-	(2,003)	-	1,988	12	3	-	-
Disposals	-	(2,525)	-	(44,163)	(2,115)	(8,003)	-	(56,806)
Provision for write-off	-	-	-	6,109	1,258	-	-	7,367
End of financial year	-	1,219,658	123,729	2,169,971	834,374	120,399	-	4,468,131
Net book value								
End of financial year	981	2,006,755	724,139	2,401,430	2,313,673	84,425	1,177,798	8,709,201

⁽²⁾ Buildings comprise mainly civil structure to house plant and equipment.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Property, plant and equipment (continued)

Group	Properties - Land	Properties - development and buildings ⁽²⁾	Properties - Leasehold land	Plant and equipment	Pipelines	Others	Assets under construction	Total
31 March 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
Beginning of financial year	981	2,993,960	830,011	4,122,289	2,896,849	172,431	987,565	12,004,086
Adoption of SB-FRS 116	-	22,371	-	-	-	-	-	22,371
	981	3,016,331	830,011	4,122,289	2,896,849	172,431	987,565	12,026,457
Additions	-	1,223	-	26	190	6,005	592,275	599,719
Adjustments	-	681	-	-	-	-	-	681
Transfers	-	160,745	8,120	214,312	134,796	12,696	(530,669)	-
Disposals	-	(4,407)	(159)	(235,826)	-	(4,151)	-	(244,543)
End of financial year	981	3,174,573	837,972	4,100,801	3,031,835	186,981	1,049,171	12,382,314
Accumulated depreciation and provision for write-off								
Beginning of financial year	-	1,069,352	99,312	1,874,947	738,056	101,145	-	3,882,812
Depreciation charge	-	77,346	12,217	200,226	45,795	15,394	-	350,978
Adjustments	-	(36)	-	-	-	-	-	(36)
Transfers	-	1,599	-	(1,599)	-	-	-	-
Disposals	-	(3,302)	(118)	(89,624)	-	(3,883)	-	(96,927)
Provision for write-off	-	-	-	592	3,592	-	-	4,184
End of financial year	-	1,144,959	111,411	1,984,542	787,443	112,656	-	4,141,011
Net book value								
End of financial year	981	2,029,614	726,561	2,116,259	2,244,392	74,325	1,049,171	8,241,303

⁽²⁾ Buildings comprise mainly civil structure to house plant and equipment.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Property, plant and equipment (continued)

	Properties - Land \$'000	Properties - development buildings ⁽²⁾ \$'000	Properties - Leasehold land \$'000	Plant and equipment \$'000	Pipelines \$'000	Others \$'000	Assets under construction \$'000	Total \$'000
Board								
31 March 2020								
Cost								
Beginning of financial year	981	2,993,960	830,011	4,122,289	2,896,849	172,431	987,565	12,004,086
Adoption of SB-FRS 116	-	22,371	-	-	-	-	-	22,371
Additions	981	3,016,331	830,011	4,122,289	2,896,849	172,431	987,565	12,026,457
Adjustments	-	1,163	-	26	190	6,005	592,275	599,659
Transfers	-	681	-	-	-	-	-	681
Disposals	-	160,745	8,120	214,312	134,796	12,696	(530,669)	-
	-	(4,407)	(159)	(235,826)	-	(4,151)	-	(244,543)
End of financial year	981	3,174,513	837,972	4,100,801	3,031,835	186,981	1,049,171	12,382,254
Accumulated depreciation and provision for write-off								
Beginning of financial year	-	1,069,352	99,312	1,874,947	738,056	101,145	-	3,882,812
Depreciation charge	-	77,302	12,217	200,226	45,795	15,394	-	350,934
Adjustments	-	(36)	-	-	-	-	-	(36)
Transfers	-	1,599	-	(1,599)	-	-	-	-
Disposals	-	(3,302)	(118)	(89,624)	-	(3,883)	-	(96,927)
Provision for write-off	-	-	-	592	3,592	-	-	4,184
End of financial year	-	1,144,915	111,411	1,984,542	787,443	112,656	-	4,140,967
Net book value								
End of financial year	981	2,029,598	726,561	2,116,259	2,244,392	74,325	1,049,171	8,241,287

⁽²⁾ Buildings comprise mainly civil structure to house plant and equipment.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

13. Property, plant and equipment (continued)

Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17.

The cash outflow for acquisition of property, plant and equipment amounts to \$455.1 million (2020: \$568.8 million).

The carrying amount of plant and equipment held under leases at the reporting date was \$673.8 million (2020: \$350.7 million). These relate to the water purchase agreements with private entities for the supply of desalinated water and NEWater to the Group under the Design-Build-Own-Operate arrangements. The Group has recognised these Design-Build-Own-Operate projects as leases and at initial recognition, recorded these as plant and equipment with a corresponding lease liabilities as set out in Note 17.

14. Investment in subsidiaries

	<u>Board</u>	
	31 March	31 March
	2021	2020
	\$'000	\$'000
Equity investments at cost		
Beginning and end of financial year	100	100

The Group had the following subsidiaries as at 31 March 2021 and 2020:

<u>Name</u>	<u>Principal activities</u>	<u>Country of business/ incorporation</u>	<u>Proportion of ordinary shares directly held by parent</u>		<u>Proportion of ordinary shares directly held by the Group</u>	
			2021	2020	2021	2020
<i>Held by the Board</i>						
PUB Consultants Private Limited ("PUBC") ⁽³⁾	Note 14(a)	Singapore	100%	100%	100%	100%
<i>Held by PUBC</i>						
Singapore International Water Week Pte. Ltd. ("SIPL") ⁽³⁾	Note 14(b)	Singapore	100%	100%	100%	100%

⁽³⁾ Audited by PricewaterhouseCoopers LLP, Singapore

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

14. Investment in subsidiaries (continued)

- (a) PUBC was incorporated on 2 August 1991. Its principal activity is to serve as the commercial arm of the Board and play the facilitative role in assisting the Board to achieve its roles to grow the Singapore water industry and to develop Singapore into a Global Hydrohub. PUBC harnesses the Board's operational experience and resources to support the Singapore-based companies in their overseas ventures in water related projects.
- (b) SIPL was incorporated on 24 September 2007. Its principal activity is to organise the Singapore International Water Week ("SIWW"), a water event that serves as a global platform to share and co-create innovative water solutions. Stakeholders from the global water industry gather at SIWW to share business opportunities and showcase the latest water technologies. SIWW is part of the strategic programme of the Singapore Government to grow the water industry in Singapore and develop water technologies and solutions.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. Trade and other payables

	Note	Group		Board	
		31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
<i>Current</i>					
Trade and other payables due to:					
- non-related parties		104,910	126,262	103,687	125,552
- government ⁽⁴⁾		71,201	116,050	71,201	116,050
		176,111	242,312	174,888	241,602
Accruals		163,757	211,312	163,710	211,281
Customer deposits		94,449	91,277	94,449	91,277
Amounts due to subsidiaries		-	-	-	202
Total trade and other payables		434,317	544,901	433,047	544,362
<u>Reconciliation to financial liabilities, at amortised cost</u>					
Total trade and other payables		434,317	544,901	433,047	544,362
Less: Net Goods and Services Tax payables		(6,510)	(7,442)	(6,507)	(7,413)
		427,807	537,459	426,540	536,949
Borrowings	19	-	300,000	-	300,000
Lease liabilities	17	47,559	38,935	47,559	38,920
		475,366	876,394	474,099	875,869
<i>Non-current</i>					
Borrowings	19	1,000,000	1,000,000	1,000,000	1,000,000
Lease liabilities	17	703,879	387,485	703,879	387,485
Total financial liabilities, at amortised cost	27(f)	2,179,245	2,263,879	2,177,978	2,263,354

⁽⁴⁾ Included in the Group's trade and other payables to government is advances received for government grants which amounted to \$69.6 million (2020: \$113.6 million).

Trade and other payables and accruals are unsecured and are short-term in nature. Trade payables are normally settled on credit terms of 21-30 days (2020: 21-30 days).

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. Provision for pension

The Group's pension obligation is a defined benefit plan, which relates to pensionable employees transferred from the former Ministry of Environment. The Board and the government jointly finance the pension payments to pensionable employees upon their retirement.

The proportion of pension benefits payable to pensionable employees prior to their transfer to the Board on 1 April 2001, which is to be borne by the government, is excluded from the amount stated above.

The movement in the defined benefit obligation is as follows:

		Group and Board	
	Note	31 March 2021 \$'000	31 March 2020 \$'000
Beginning of financial year		9,026	9,314
Interest expense	7	88	166
Re-measurement (gain)/loss		(446)	1,486
Liability extinguished on settlement		(3,350)	(1,940)
End of financial year		<u>5,318</u>	<u>9,026</u>

The significant actuarial assumptions used were as follows:

- (i) All pensionable employees will retire at age of 62 years (2020: 62 years).
- (ii) Pensionable employees are entitled to select one of the following state-managed pension schemes upon retirement:
 - (a) Monthly pension payments;
 - (b) Reduced monthly pension payments together with gratuity payment upon retirement; or
 - (c) Lump sum gratuity payment upon retirement
- (iii) The discount rate for the pension obligation is 1.90% (2020: 1.20%) per annum, which is based on the market yields on the Government bonds.
- (iv) The Board's average share of pension obligation is estimated at a factor of 0.70 (2020: 0.70).

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

16. Provision for pension (continued)

The sensitivity of the defined benefit obligation to changes to each of above significant assumptions at the reporting date, assuming all other assumptions were held constant is:

	Change in assumption	<u>Impact on defined benefit obligation</u>	
		31 March 2021 \$'000	31 March 2020 \$'000
Discount rate	0.5%	(308)	(378)
	(0.5)%	338	416

As at 31 March 2021, the average duration of the pension obligation is 12 years (2020: 9 years).

17. Lease liabilities

	<u>Group</u>		<u>Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
<i>Current</i>				
Lease liabilities	47,559	38,935	47,559	38,920
<i>Non-current</i>				
Lease liabilities	703,879	387,485	703,879	387,485

Nature of the leasing activities

The Group and Board leases office premises, lands, buildings and plants for the purpose of its operations.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

17. Lease liabilities (continued)

(a) Carrying amounts

Right-of-Use assets classified within property, plant and equipment

	<u>Group</u>		<u>Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Design-Build-Own-Operate Projects	673,839	350,733	673,839	350,733
Properties - Land development and buildings	8,173	12,562	8,173	12,546
Others	1,581	136	1,581	136
	683,593	363,431	683,593	363,415

(b) Depreciation charge during the year

	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Design-Build-Own-Operate Projects	(41,825)	(30,248)	(41,825)	(30,248)
Properties - Land development and buildings	(9,851)	(9,869)	(9,835)	(9,825)
Others	(524)	(12)	(524)	(12)
	(52,200)	(40,129)	(52,184)	(40,085)

(c) Interest expense

Interest expense on lease liabilities	31,391	23,075	31,391	23,074
--	---------------	--------	---------------	--------

(d) Lease expense not capitalised in lease liabilities

Lease expense – short-term leases	349	301	349	301
Lease expense – low-value leases	2,105	1,505	2,105	1,503
	2,454	1,806	2,454	1,804

(e) Total cash outflows for all the leases in 2021 for the Group and Board were \$81.2 million (2020: \$63.9 million) and \$81.2 million (2020: \$63.9 million) respectively.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

17. Lease liabilities (continued)

(f) Addition of Right-Of-Use assets during the financial year 2021 for the Group and Board were \$372.4 million (2020: \$22.6 million) and \$372.4 million (2020: \$22.5 million) respectively.

(g) Future cash outflow which are not capitalised in lease liabilities

Extension options

The leases for certain office premises, lands, buildings and plants contain extension periods, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

18. Deferred income

	Group		Board	
	31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Deferred capital grants	453,886	453,319	453,886	453,319
Other deferred income	48,770	52,196	48,256	51,638
Total deferred income	502,656	505,515	502,142	504,957

Deferred capital grants comprise:

(i) Amounts received from government bodies and private developers towards the capital outlay for the provision of water facilities that were completed in and after 1998; and

(ii) Amounts received from government relating to the acquisition of fixed assets.

Other deferred income comprise:

(i) Operating lease income received in advance in respect of 7 land leases with periods ranging from 20 to 30 years (2020: 6 land leases with periods ranging from 20 to 30 years); and

(ii) Billings made in advance for the Singapore International Water Week ("SIWW") event which will be held in April 2022.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

19. Borrowings

	<u>Group and Board</u>	
	31 March 2021	31 March 2020
	\$'000	\$'000
<i>Current</i>		
Bonds	-	300,000
<i>Non-current</i>		
Bonds	1,000,000	1,000,000
Total borrowings	1,000,000	1,300,000

Total borrowings comprise unsecured fixed-rate bonds and the details are as follows:

					<u>Group and Board</u>	
<u>Currency</u>	<u>Tenure (years)</u>	<u>Interest rate (% per annum)</u>	<u>Issue date</u>	<u>Maturity date</u>	31 March 2021	31 March 2020
					\$'000	\$'000
Singapore Dollar	15	3.520	26/10/2005	26/10/2020	-	300,000
Singapore Dollar	12	3.012	12/07/2010	12/07/2022	400,000	400,000
Singapore Dollar	20	3.620	12/10/2007	12/10/2027	300,000	300,000
Singapore Dollar	15	3.010	18/07/2018	18/07/2033	300,000	300,000
					1,000,000	1,300,000

Fair value of non-current borrowings

	<u>Group and Board</u>	
	31 March 2021	31 March 2020
	\$'000	\$'000
Bonds	1,073,712	1,388,522

As at 31 March 2021, there is no PUB bonds holding by PUB Board Members and Key Management Personnel (2020: nil).

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

20. Provision for asset restoration obligations

A provision of \$13.4 million (2020: \$14.6 million) was made to recognise the Board's asset restoration obligations. The provision was estimated based on the latest available demolition costs of comparable assets and discounted at the market government bond yield rate ranging from 0.52% to 2.08% (2020: 0.76% to 1.62%) which commensurate with the estimated number of years to restoration.

21. Share capital

	No. of ordinary shares	Amount \$'000
<u>Group and Board</u>		
31 March 2021		
Beginning of financial year	1,000	1
Shares issued	1,055,946	1,056
End of financial year	<u>1,056,946</u>	<u>1,057</u>
31 March 2020		
Beginning and end of financial year	<u>1,000</u>	<u>1</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The shares are held by the Minister for Finance, a body corporate incorporated by the Minister for Finance (Incorporation Act (Chapter 183, 1985 Revised Edition)) and who is a shareholder of the Board. The shares do not carry any voting rights.

The holder of ordinary shares is entitled to receive dividends as and when declared annually, in accordance with Finance Circular Minute No. M26/2008 issued by Ministry of Finance. No dividends were declared for the financial years ended 31 March 2021 and 31 March 2020 as the net income after government grants and after contribution to Consolidated Fund and taxation has been utilised for capital expenditure.

During the financial year, the Board issued 1,055,946 ordinary shares for a total consideration of \$1,055,946 for cash. The newly issued shares rank pari passu in all aspects with the previously issued shares.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

22. Capital account

The capital account comprises the accumulated transfers from retained earnings which had been appropriated for the Board's property, plant and equipment such as plants and pipelines. It also includes the amounts paid by government bodies and private developers towards the capital outlay for the provision of utility facilities completed before 1998. The movement of the capital account represents the retained earnings set aside for the year to meet the Board's capital commitments in accordance with Section 14 of the Public Utilities Act (Chapter 261).

23. Water Efficiency Fund

	Group and Board	
	31 March 2021 \$'000	31 March 2020 \$'000
Beginning and end of financial year	<u>6,000</u>	<u>6,000</u>

During the financial year ended 31 March 2021, \$1.4 million (2020: \$1.4 million) of co-funding was incurred. The co-funding amount incurred was drawn from the Water Efficiency Fund during the financial year. The same amount was transferred from retained earnings to the Water Efficiency Fund to maintain the fund at \$6.0 million (2020: \$6.0 million) as at the reporting date.

24. Net assets/(liabilities) of trust funds

Funds held and managed on behalf by the Board includes:

	Group and Board	
	31 March 2021 \$'000	31 March 2020 \$'000
Coastal and Flood Protection Fund [Note 24(a)]	5,002,408	-
Development Expenditure Fund [Note 24(b)]		
- Ministry of Sustainability and the Environment	(89,121)	(59,900)
- Singapore Totalisator Board	1,324	1,212
National Research Fund [Note 24(c)]	8,678	8,703
	<u>4,923,289</u>	<u>(49,985)</u>

The assets and liabilities of the trust funds are excluded from the assets and liabilities of the Group and the Board.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. Net assets/(liabilities) of trust funds (continued)

(a) Coastal and Flood Protection Fund

From 1 April 2020, PUB has assumed an additional role as the nation's Coastal Protection Agency, to safeguard Singapore's coastline against the threat of rising sea levels due to climate change. A new Coastal and Flood Protection Fund ("CFPF") has been set up under PUB, with an initial funding of \$5 billion from the Government. The CFPF will fund capital and non-recurrent coastal protection and drainage expenditures, with allowable purposes prescribed under Section 18A of the Public Utilities Act as set out in Note 2.19.

The funds are accounted for as follows:

	<u>Group and Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000
Beginning of financial year	-	-
Receipts:		
- funds received	5,000,000	-
- interest income	2,408	-
	5,002,408	
End of financial year	5,002,408	-
Represented by:		
Assets:		
- cash at bank	144,000	-
- financial assets at amortised cost*	4,856,000	-
- sundry receivables	2,408	-
	5,002,408	-
Net assets of trust fund	5,002,408	-

* Financial assets at amortised cost relates to Investment in Special Singapore Government Securities.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. Net assets/(liabilities) of trust funds (continued)

(b) Development Expenditure Fund

The trust funds comprise funds received from Ministry of Sustainability and the Environment (“MSE”) and Singapore Totalisator Board for the construction of assets owned by the Government as set out in Note 2.19.

The funds are accounted for as follows:

	<u>Group and Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000
Beginning of financial year	(58,688)	(51,380)
Receipts:		
- funds received	687,753	1,065,648
- interest income	575	1,743
- liquidated damages/(refund of liquidated damages)	4,659	(412)
- recovery of development expenditure	44	195
	693,031	1,067,174
Amount returned to Government	-	-
	634,343	1,015,794
Expenditure:		
- development expenditure	(679,261)	(1,004,595)
- Goods and Services Tax	(42,879)	(69,887)
	(722,140)	(1,074,482)
End of financial year	(87,797)	(58,688)
Represented by:		
Assets:		
- cash at bank	1,793	8,966
- sundry receivables	153	1,184
- prepayments	37,770	-
	39,716	10,150
Liabilities:		
- sundry creditors and others	(127,212)	(67,148)
- tender deposits	(301)	(1,690)
	(127,513)	(68,838)
Net liabilities of trust funds	(87,797)	(58,688)

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

24. Net assets/(liabilities) of trust funds (continued)

(c) National Research Fund

The Board receives funds from National Research Foundation (“NRF”) for disbursement of grants to grantees who are performing the water R&D activities as set out in Note 2.19.

The funds are accounted for as follows:

	<u>Group and Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000
Beginning of financial year	8,703	309
Receipts:		
- funds received	8,304	24,195
- interest income	87	92
	8,391	24,287
	17,094	24,596
Expenditure:		
- disbursements to grantees	(8,416)	(15,893)
	(8,416)	(15,893)
End of financial year	8,678	8,703
Represented by:		
Assets:		
- cash at bank	8,656	9,325
- sundry receivables	22	65
	8,678	9,390
Liabilities:		
- sundry creditors and others	-	(687)
	-	(687)
Net assets of trust fund	8,678	8,703

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

25. Related party transactions

(a) *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.

The Board supplies water and provides used water services to all entities in Singapore which also includes its subsidiaries and Government agencies (comprising Ministries, Organs of State and other Statutory Boards). These transactions are conducted in the ordinary course of business.

(b) *Key management personnel compensation*

Key management personnel compensation is as follows:

	<u>Group</u>		<u>Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Wages, salaries and post-employment benefits	8,613	8,953	8,606	8,952
Employer's contribution to CPF	511	479	511	479
	<u>9,124</u>	<u>9,432</u>	<u>9,117</u>	<u>9,431</u>

(c) *Board members' allowance and other benefits*

Board members' allowance and other benefits are as follows:

	<u>Group</u>		<u>Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Board Members' allowance	231	233	214	216
Other benefits	2	2	2	2
	<u>233</u>	<u>235</u>	<u>216</u>	<u>218</u>

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

26. Commitments

Capital commitments

Capital expenditures contracted for as at the reporting date but not recognised in the financial statements are as follows:

	<u>Group and Board</u>	
	31 March	31 March
	2021	2020
	\$'000	\$'000
Development projects belonging to the Board	2,441,669	1,114,590
Development projects belonging to the Government (funded by trust fund)	3,297,763	3,764,155
	<u>5,739,432</u>	<u>4,878,745</u>

27. Financial risk management

Financial risk factors

The Group is exposed to foreign currency risk, interest rate risk, credit risk and liquidity risk.

The board members have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's overall financial risk management approach focuses on the state and the unpredictability of the financial and capital markets and seeks to minimise the potential adverse effects from the exposures to these risks on the financial performance of the Group.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Market risk

(i) Foreign currency risk

The Group's exposure to foreign currency risk arises from its foreign currency contracts for purchase of goods and services and its operations in Malaysia.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(a) *Market risk (continued)*

(i) Foreign currency risk (continued)

The Group's exposures to foreign currencies at the reporting date are as follows:

Group	<u>USD</u> \$'000	<u>MYR</u> \$'000	<u>EUR</u> \$'000
<u>At 31 March 2021</u>			
Financial assets			
Cash and cash equivalents	138	10,999	-
Trade and other receivables	-	194	-
	<u>138</u>	<u>11,193</u>	<u>-</u>
Financial liabilities			
Trade and other payables	(113)	(2,041)	-
Currency exposure of financial assets	<u>25</u>	<u>9,152</u>	<u>-</u>
<u>At 31 March 2020</u>			
Financial assets			
Cash and cash equivalents	626	14,204	-
Trade and other receivables	-	487	-
	<u>626</u>	<u>14,691</u>	<u>-</u>
Financial liabilities			
Trade and other payables	(21)	(71)	(154)
Currency exposure of financial assets/(liabilities)	<u>605</u>	<u>14,620</u>	<u>(154)</u>

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

The Board's exposures to foreign currencies at the reporting date are as follows:

	USD \$'000	MYR \$'000	EUR \$'000
Board			
<u>At 31 March 2021</u>			
Financial assets			
Cash and cash equivalents	121	10,999	-
Trade and other receivables	-	194	-
	<u>121</u>	<u>11,193</u>	<u>-</u>
Financial liabilities			
Trade and other payables	(113)	(2,041)	-
Currency exposure of financial assets	<u>8</u>	<u>9,152</u>	<u>-</u>
<u>At 31 March 2020</u>			
Financial assets			
Cash and cash equivalents	609	14,204	-
Trade and other receivables	-	487	-
	<u>609</u>	<u>14,691</u>	<u>-</u>
Financial liabilities			
Trade and other payables	(21)	(71)	(154)
Currency exposure of financial assets/(liabilities)	<u>588</u>	<u>14,620</u>	<u>(154)</u>

Sensitivity analysis

If the USD, MYR and EUR strengthen/weaken against the SGD by 5% with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset that are exposed to currency risk will be as follows:

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

	← Increase/(Decrease) →	
	31 March 2021	31 March 2020
	Net income (after government grants before contribution to Consolidated Fund and <u>taxation</u>)	Net income (after government grants before contribution to Consolidated Fund and <u>taxation</u>)
<u>Group</u>		
USD against SGD		
- Strengthened	2	30
- Weakened	(2)	(30)
MYR against SGD		
- Strengthened	458	731
- Weakened	(458)	(731)
EUR against SGD		
- Strengthened	-	(8)
- Weakened	-	8
<u>Board</u>		
USD against SGD		
- Strengthened	1	30
- Weakened	(1)	(30)
MYR against SGD		
- Strengthened	458	731
- Weakened	(458)	(731)
EUR against SGD		
- Strengthened	-	(8)
- Weakened	-	8

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The Group's exposure to interest rate risk relates mainly to the cash with AGD which refers to cash managed by the Accountant-General's Department under the Centralised Liquidity Management as set out in the Accountant-General's Circular No. 4/2009 Centralised Liquidity Management for Statutory Boards and Ministries. The interest rates for cash with AGD are based on deposit rates determined by the financial institutions and/or Monetary Authority of Singapore with which the deposits are placed and are expected to move in tandem with market interest rate movements.

The Board's borrowings are limited to fixed rate bonds and accordingly, the Board is not exposed to fluctuations in interest rates. The carrying amounts and effective interest rates of investments in fixed deposits are as follows:

	Note	Weighted average interest		Carrying amount	
		rate per annum		31 March	31 March
		2021	2020	2021	2020
		%	%	\$'000	\$'000
Group					
Fixed-rate instruments					
Fixed deposits					
- Malaysia Ringgit	9	1.81	2.58	6,790	11,167
- United States Dollar	9	0.02	0.87	121	609
Variable-rate instruments					
Cash (including cash with AGD)	9	0.79	1.93	390,918	603,644
				397,829	615,420
Board					
Fixed-rate instruments					
Fixed deposits					
- Malaysia Ringgit	9	1.81	2.58	6,790	11,167
- United States Dollar	9	0.02	0.87	121	609
Variable-rate instruments					
Cash (including cash with AGD)	9	0.79	1.93	388,542	601,369
				395,453	613,145

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

An increase/decrease of 50 basis points in the interest rates at the reporting date would have increased/decreased the net income (after government grants before contribution to Consolidated Fund and taxation) by the amounts shown below:

	← Increase/(decrease) →	
	31 March 2021	31 March 2020
	Net income (after government grants before contribution to Consolidated Fund and taxation) \$'000	Net income (after government grants before contribution to Consolidated Fund and taxation) \$'000
<u>Group</u>		
Variable-rate instruments		
Cash (including cash with AGD)		
- Increase	1,955	3,018
- Decrease	(1,955)	(3,018)
<u>Board</u>		
Variable-rate instruments		
Cash (including cash with AGD)		
- Increase	1,943	3,007
- Decrease	(1,943)	(3,007)

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(b) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument defaults on its contractual obligations.

The Group's exposure to credit risk arises mainly from trade and other receivables. Cash which mainly comprised cash managed by Accountant-General's Department under the Centralised Liquidity Management are placed in Singapore dollar deposits with banks (and cash is made available to the Board upon request) while foreign currency deposits (these are denominated in Malaysian Ringgit and United States Dollar) are placed with licensed commercial banks in Malaysia and Singapore respectively. For trade receivables, the Group has policies in place to ensure that customers maintain deposits with the Group.

The Group establishes an allowance account that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar financial assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Excessive risk concentration

There is no concentration of credit risk relating to trade receivables due to the large customer base.

Exposure to credit risk

The gross carrying amounts of these financial assets recorded in the financial statements represent the Group's maximum exposure to credit risk.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(b) *Credit risk (continued)*

Impairment of financial assets

Cash and cash equivalents and other receivables are subject to immaterial credit loss. The Group's and Board's trade receivables and sundry receivables are subject to more than immaterial credit losses where the expected credit loss model has been applied.

Movement in credit loss allowance for financial assets are set out as follows:

	<u>Trade receivables</u> \$'000	<u>Sundry receivables</u> \$'000	<u>Total</u> \$'000
<u>Group and Board</u>			
Balances as at 1 April 2020	7,298	1,424	8,722
Loss allowance recognised in profit or loss during the year on:			
- Allowance made during the year	3,545	1	3,546
Allowance utilised	(1,352)	(4)	(1,356)
Balances as at 31 March 2021	<u>9,491</u>	<u>1,421</u>	<u>10,912</u>
Balances as at 1 April 2019	6,498	1,445	7,943
Loss allowance recognised in profit or loss during the year on:			
- Allowance made during the year	1,952	4	1,956
Allowance utilised	(1,152)	(25)	(1,177)
Balances as at 31 March 2020	<u>7,298</u>	<u>1,424</u>	<u>8,722</u>

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(b) *Credit risk (continued)*

Impairment of financial assets (continued)

The Group used historical loss ratios to determine the amount of provisions for credit losses for trade receivables after adjusting for forward-looking macroeconomic factors.

To measure the expected credit losses, these receivables have been grouped based on days past due.

Receivables are written off when there is no reasonable expectation of recovery. The Group makes a provision for write off of the receivable when a debtor fails to make payment within the agreed time frame. The amount of provision is based on historical collection trend. Where receivables have been written off, the Group continues with its debts-recovery process to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group and Board's credit risk exposure in relation to trade receivables as at 31 March 2021 and 31 March 2020 are set out in the provision matrix as follows:

<u>Group</u>	← Past due →					Total \$'000
	Current \$'000	Within 30 days \$'000	31 to 90 days \$'000	91 to 180 days \$'000	More than 180 days \$'000	
31 March 2021						
Trade receivables	74,503	10,295	4,673	2,859	6,078	98,408
Less: Specific allowances	-	(559)	(261)	(595)	(4,773)	(6,188)
	74,503	9,736	4,412	2,264	1,305	92,220
Less: Trade receivables with no expected credit loss (Note)	(9,793)	(71)	(17)	-	-	(9,881)
	64,710	9,665	4,395	2,264	1,305	82,339
Expected loss rates	0%	5%	11%	46%	100%	
Loss allowances	-	(490)	(469)	(1,039)	(1,305)	(3,303)

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

Group	Past due					Total \$'000
	Current \$'000	Within 30 days \$'000	31 to 90 days \$'000	91 to 180 days \$'000	More than 180 days \$'000	
31 March 2020						
Trade receivables	88,699	10,262	5,348	2,110	4,720	111,139
Less: Specific allowances	-	(121)	(232)	(441)	(4,111)	(4,905)
	88,699	10,141	5,116	1,669	609	106,234
Less: Trade receivables with no expected credit loss (Note)	(11,653)	(291)	(165)	-	(81)	(12,190)
	77,046	9,850	4,951	1,669	528	94,044
Expected loss rates	0%	5%	11%	51%	100%	
Loss allowances	-	(483)	(539)	(843)	(528)	(2,393)
Board	Past due					Total \$'000
31 March 2021	Current \$'000	Within 30 days \$'000	31 to 90 days \$'000	91 to 180 days \$'000	More than 180 days \$'000	
Trade receivables	73,966	10,295	4,673	2,859	6,078	97,871
Less: Specific allowances	-	(559)	(261)	(595)	(4,773)	(6,188)
	73,966	9,736	4,412	2,264	1,305	91,683
Less: Trade receivables with no expected credit loss (Note)	(9,255)	(71)	(17)	-	-	(9,343)
	64,711	9,665	4,395	2,264	1,305	82,340
Expected loss rates	0%	5%	11%	46%	100%	
Loss allowances	-	(490)	(469)	(1,039)	(1,305)	(3,303)

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(b) *Credit risk (continued)*

Impairment of financial assets (continued)

<u>Board</u>	← Past due →					Total \$'000
	Current \$'000	Within 30 days \$'000	31 to 90 days \$'000	91 to 180 days \$'000	More than 180 days \$'000	
31 March 2020						
Trade receivables	88,111	10,262	5,348	2,110	4,720	110,551
Less: Specific allowances	-	(121)	(232)	(441)	(4,111)	(4,905)
	88,111	10,141	5,116	1,669	609	105,646
Less: Trade receivables with no expected credit loss (Note)	(11,065)	(291)	(165)	-	(81)	(11,602)
	77,046	9,850	4,951	1,669	528	94,044
Expected loss rates	0%	5%	11%	51%	100%	
Loss allowances	-	(483)	(539)	(843)	(528)	(2,393)

Note: Based on historical default rates, the Group believes that no expected loss allowance is necessary in respect of these trade receivables.

The carrying amount of sundry receivables individually determined to be impaired are as follows:

<u>Group and Board</u>	← Past due →					Total \$'000
	Current \$'000	Within 30 days \$'000	31 to 90 days \$'000	91 to 180 days \$'000	More than 180 days \$'000	
31 March 2021						
Sundry receivables	40,260	13	23	-	1,421	41,717
Less: Specific allowances	-	-	-	-	(1,421)	(1,421)
	40,260	13	23	-	-	40,296

<u>Group and Board</u>	← Past due →					Total \$'000
	Current \$'000	Within 30 days \$'000	31 to 90 days \$'000	91 to 180 days \$'000	More than 180 days \$'000	
31 March 2020						
Sundry receivables	52,178	11	1	5	1,424	53,619
Less: Specific allowances	-	-	-	-	(1,424)	(1,424)
	52,178	11	1	5	-	52,195

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(b) Credit risk (continued)

Impairment of financial assets (continued)

Other than the above, the remaining sundry receivables is subjected to insignificant level of credit risk.

Financial assets that are neither past due nor impaired

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group and Board.

Other than the above, there are no credit loss allowance for other financial assets at amortised costs as at 31 March 2021 and 31 March 2020.

(c) Liquidity risk

Liquidity risk refers to the Group's ability to meet its financial obligations as and when they fall due.

The Group's exposure to liquidity risk is minimal as it adopts prudent liquidity risk management by regularly reviewing its cash flow needs, maintaining sufficient cash from its internally generated cash flow and putting in place adequate financing arrangements.

The cash flow needs in respect of operation, maintenance and construction of Government assets or projects approved and funded by the Government are based on forecasted payment schedule.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(c) *Liquidity risk (continued)*

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	Between 1 and 5 years \$'000	Over 5 years \$'000
<u>Group</u>			
At 31 March 2021			
Trade and other payables	427,807	-	-
Lease liabilities	80,425	291,852	724,227
Borrowings	31,938	502,871	662,674
<hr/>			
At 31 March 2020			
Trade and other payables	537,459	-	-
Lease liabilities	58,939	204,658	312,669
Borrowings	337,956	495,029	702,454
<hr/>			
<u>Board</u>			
At 31 March 2021			
Trade and other payables	426,540	-	-
Lease liabilities	80,425	291,852	724,227
Borrowings	31,938	502,871	662,674
<hr/>			
At 31 March 2020			
Trade and other payables	536,949	-	-
Lease liabilities	58,924	204,658	312,669
Borrowings	337,956	495,029	702,454
<hr/>			

(d) *Capital management*

The Group's policy is to ensure that it maintains sufficient capital to carry out its statutory functions. To achieve this, the Group reviews its sufficiency of capital as appropriate, taking into consideration its capital expenditure needs, government policies, regulatory requirements and its ability to access capital markets. The Group defines capital as its share capital, retained earnings, capital account and borrowings.

There were no changes in the Group's approach to capital management during the financial years ended 31 March 2021 and 31 March 2020. The Group is not subject to any externally imposed capital requirements.

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(e) Fair value measurements

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Assets and liabilities not carried at fair value but for which fair value is disclosed

The following table shows an analysis of the Group's and Board's assets and liabilities not measured at fair value as at the reporting date but for which fair value is disclosed:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Group and Board</u>				
31 March 2021				
<i>Liabilities</i>				
Borrowings	-	1,073,712	-	1,073,712
<hr/>				
31 March 2020				
<i>Liabilities</i>				
Borrowings	-	1,388,522	-	1,388,522
<hr/>				

Determination of fair value

The fair values of the assets and liabilities, for disclosure purposes, are calculated based on prices at reporting date obtained from Bloomberg (2020: Bloomberg).

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

27. Financial risk management (continued)

(e) *Fair value measurements (continued)*

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value:

	Note	<u>Group and Board</u> Carrying amount \$'000	Fair value \$'000
<u>Group and Board</u>			
31 March 2021			
<i>Liabilities</i>			
Borrowings	19	<u>1,000,000</u>	<u>1,073,712</u>
31 March 2020			
<i>Liabilities</i>			
Borrowings	19	<u>1,300,000</u>	<u>1,388,522</u>

(f) *Financial instruments by category*

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position, except for the following:

	<u>Group</u>		<u>Board</u>	
	31 March 2021 \$'000	31 March 2020 \$'000	31 March 2021 \$'000	31 March 2020 \$'000
Financial assets, at amortised cost	541,013	788,070	538,263	785,248
Financial liabilities, at amortised cost	<u>2,179,245</u>	<u>2,263,879</u>	<u>2,177,978</u>	<u>2,263,354</u>

PUBLIC UTILITIES BOARD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

28. Prior year reclassifications

A reclassification has been made to the prior year's financial figures to make a clean distinction between trade and other payables and provision as defined in the significant accounting policies under Note 2.12 (Trade and other payables) and Note 2.13 (Provision).

The effect of the reclassification is as below:

	<u>Group</u>		<u>Board</u>	
	Previously reported \$'000	As reclassified \$'000	Previously reported \$'000	As reclassified \$'000
31 March 2020				
Trade and other payables	333,589	544,901	333,081	544,362
Other liabilities	220,338	-	220,307	-
Provision for pension	-	9,026	-	9,026

29. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

30. Segment reporting

The Group's chief operating decision-maker comprises the senior management. The Group has only one reportable operating segment as it operates in the water industry as one business segment in the provision of water and related facilities for the public and majority of its activities are located in Singapore. The reportable segment is reviewed regularly by the chief operating decision-maker.

31. Authorisation of financial statements

These financial statements were authorised for issue by the board members on 22 July 2021.