IMPORTANT NOTICE

THE OFFERING MEMORANDUM IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) UNDER RULE 144A OR (2) NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (AS DEFINED BELOW) ("**REGULATION S**")) PURCHASING THE SECURITIES OUTSIDE THE U.S. IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S.

IMPORTANT: You must read the following before continuing. The following applies to the Offering Memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION 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 (AS DEFINED IN REGULATION S), 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.

THE OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING 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. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE OFFERING MEMORANDUM.

Confirmation of Your Representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the notes, investors must be either (I) Qualified Institutional Buyers ("**QIBs**") (within the meaning of Rule 144A under the Securities Act) or (II) non-U.S. persons eligible to purchase securities outside the United States in an offshore transaction in reliance on Regulation S. The Offering Memorandum is being sent at your request and by accepting the e-mail and accessing the Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) you consent to delivery of the Offering Memorandum and any amendments and supplements thereto by electronic transmission.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the attached Offering Memorandum may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Memorandum to any other person.

The materials relating to any offering of securities to which the Offering Memorandum relates 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 licenced broker or dealer and any of the Arrangers and Dealers or any affiliate of the Arrangers and Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the relevant Issuer (as defined in the Offering Memorandum) in such jurisdiction.

The Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers or any person who controls any Dealer, the Trustee or the Agents (each as defined in the Offering Memorandum), or any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request.

You are responsible for protecting against viruses and other destructive items. 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.

STRICTLY CONFIDENTIAL

PSA INTERNATIONAL PTE LTD

(incorporated in the Republic of Singapore with limited liability)
(Company Registration Number: 197200399R)

PSA TREASURY PTE. LTD.

(incorporated in the Republic of Singapore with limited liability)
(Company Registration Number: 201606623H)

U.S.$5,000,000,000 Global Medium Term Note Programme

*Under the Global Medium Term Note Programme described in this Offering Memorandum (the "**Programme**"), PSA International Pte Ltd ("**PSAI**") and PSA Treasury Pte. Ltd. ("**PSA Treasury**" and, together with PSAI in such capacity, the "**Issuers**" and each an "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$5,000,000,000 (or the equivalent in other currencies).*

*Notes issued by PSA Treasury (the "**Guaranteed Notes**") will be guaranteed (the "**Guarantee**") by PSAI (in such capacity, the "**Guarantor**"). Notes issued by PSAI will not be guaranteed. References in this Offering Memorandum to the Guarantor and the Guarantee shall only apply to any Guaranteed Notes that are issued under the Programme.*

*Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in 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. Unlisted Series (as defined herein) of Notes may also be issued pursuant to the Programme. The relevant Pricing Supplement (as defined herein) in respect of any Series of Notes will specify whether or not such Notes will be listed on the SGX-ST (or any other stock exchange). There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of PSAI, PSA Treasury, the PSA Group (as defined herein) or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein.*

An investment in Notes issued under the Programme involves certain risks. Prospective investors should have regard to the risks described in "Risk Factors".

*The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States or any other jurisdiction, and the Notes may include bearer notes that are subject to U.S. tax law requirements. The Notes may be offered and sold (i) in the United States only to "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the Securities Act ("**Rule 144A**") in transactions exempt from registration under the Securities Act and/or (ii) outside the United States to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act ("**Regulation S**")). Prospective purchasers are hereby notified that sellers of the Notes may be relying on exemptions from the provisions of Section 5 of the Securities Act provided by Rule 144A.*

*Each Series of Notes in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**" and, together with the temporary Global Notes, the "**Global Notes**"), and will be sold in an "offshore transaction" within the meaning of Regulation S. Interests in temporary Global Notes generally will be exchangeable for interests in permanent Global Notes, or if so stated in the relevant Pricing Supplement, definitive Notes ("**Definitive Notes**"), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche (as defined herein), upon certification as to non-U.S. beneficial ownership. Global Notes may be deposited on the relevant issue date with (a) The Central Depository (Pte) Limited ("**CDP**"), or a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") (the "**Common Depositary**") or (b) such other clearing system as agreed between the relevant Issuer, the Guarantor, the Issuing and Paying Agent (as defined herein), the Trustee (as defined herein) and the relevant Dealer(s) (as defined herein).*

*The Notes of each Series to be issued in registered form ("**Registered Notes**") will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's (as defined herein) entire holding of Registered Notes of one Series. Registered Notes which are offered and sold in an "offshore transaction" within the meaning of Regulation S ("**Unrestricted Notes**"), will initially be represented by a permanent registered global certificate (each an "**Unrestricted Global Certificate**") without interest coupons, which may be deposited on the relevant issue date (a) with, and registered in the name of, CDP, or a Common Depositary for, and registered in the name of a nominee of, Euroclear and Clearstream. Beneficial interests in an Unrestricted Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by, CDP, Euroclear or Clearstream; and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, CDP or Euroclear and/or Clearstream, or delivered outside a clearing system, as agreed between the relevant Issuer, the Guarantor, the Issuing and Paying Agent, the Trustee, the relevant Registrar (as defined herein) and the relevant Dealer(s). Registered Notes which are offered or sold in the United States to QIBs within the meaning of Rule 144A under the Securities Act that are also qualified purchasers as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940 (the "**Investment Company Act**") ("**Restricted Notes**") will initially be represented by a permanent registered global certificate (each a "**Restricted Global Certificate**" and, together with the Unrestricted Global Certificate, the "**Global Certificates**"), without interest coupons, which may be deposited on the relevant issue date with a custodian (the "**Custodian**") for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("**DTC**"). The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Note, and interests in Global Certificates for individual Certificates, are described in "Summary of Provisions Relating to the Notes while in Global Form". For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Offering Memorandum, see "Selling Restrictions – Singapore", "Subscription and Sale" and "Transfer Restrictions".*

*This Offering Memorandum is an advertisement and is not a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended or superseded, the "**Prospectus Regulation**"), including as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**").*

Arrangers

DBS BANK LTD. ***HSBC***

Dealers

BNP PARIBAS ***CREDIT SUISSE*** ***DBS BANK LTD.*** ***HSBC*** ***MORGAN STANLEY***

Offering Memorandum dated 7 February 2022

In making an investment decision, investors must rely on their own examination of PSAI, PSA Treasury and the PSA Group (as defined herein), the terms of the Programme and the terms and conditions of any Series of Notes offered thereunder. By receiving this Offering Memorandum, investors acknowledge that (i) they have been afforded an opportunity to request and to review, and have received, all information that investors consider necessary to verify the accuracy of, or to supplement, the information contained in this Offering Memorandum, (ii) they have not relied on any Arranger, Dealer, the Trustee or the Agents, or any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them in connection with their investigation of the accuracy of any information in this Offering Memorandum or their investment decision and (iii) no person has been authorised to give any information or to make any representation concerning the issue or sale of the Notes, PSAI, PSA Treasury or the PSA Group other than as contained in this Offering Memorandum and, if given or made, any such other information or representation should not be relied upon as having been authorised by PSAI, PSA Treasury, the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them.

PSAI and PSA Treasury accept responsibility for the information contained in this Offering Memorandum. PSAI and PSA Treasury, having made all reasonable inquiries, confirm that, to the best of their knowledge and belief, this Offering Memorandum contains all information with respect to PSAI, PSA Treasury, the PSA Group, and the Notes and the Guarantee that is material in the context of the issue and offering of the Notes and the giving of the Guarantee, the statements contained in it relating to PSAI and PSA Treasury are true and accurate in all material respects and not misleading in any material respect, the opinions and intentions expressed in this Offering Memorandum with regard to PSAI and PSA Treasury are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, and that there are no other facts in relation to PSAI, PSA Treasury, the PSA Group, the Notes or the Guarantee the omission of which would, in the context of the issue and offering of the Notes and the giving of the Guarantee, make any statement in this Offering Memorandum misleading in any material respect and all reasonable enquiries have been made by PSAI and PSA Treasury to ascertain such facts and to verify the accuracy of all such information. Certain information in this Offering Memorandum has been obtained from publicly available documents. PSAI and PSA Treasury make no representation, express or implied, and do not accept any responsibility with respect to the accuracy or completeness of any information obtained from publicly available documents.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by PSAI, PSA Treasury, the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them. Neither the delivery of this Offering Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of PSAI, PSA Treasury or the PSA Group since the date hereof or the date upon which this Offering Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial position of PSAI, PSA Treasury or the PSA Group since the date hereof or the date upon which this Offering Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Prohibition of Sales to EEA Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (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 (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 – 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 (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 as it forms part of domestic law by virtue of the EUWA (the "**UK 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.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to 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 Arrangers 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 Pricing Supplement in respect of any Notes may include a legend entitled "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 Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The distribution of this Offering Memorandum or any Pricing Supplement and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by PSAI, PSA Treasury, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions.

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS.

THE NOTES MAY BE OFFERED OR SOLD (I) IN THE UNITED STATES IN REGISTERED FORM ONLY TO QIBS IN TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, IN WHICH CASE EACH SUCH PURCHASER MUST BE ABLE TO MAKE, AND WILL BE DEEMED TO HAVE MADE, CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS, WARRANTIES AND AGREEMENTS AS SET FORTH IN THIS OFFERING MEMORANDUM IN RESPECT OF SUCH SERIES OF NOTES, AND/OR (II) OUTSIDE THE UNITED STATES, TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S. ANY SERIES OF NOTES MAY BE SUBJECT TO ADDITIONAL SELLING RESTRICTIONS. ANY ADDITIONAL SELLING RESTRICTIONS ON THE SALE OR TRANSFER OF ANY SERIES OF NOTES WILL BE SPECIFIED IN THE APPLICABLE PRICING SUPPLEMENT FOR SUCH NOTES.

IF NOTES OF A SERIES ARE BEING OFFERED AND SOLD TO U.S. PERSONS IN THE UNITED STATES, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE ARRANGERS AND THE DEALERS, THROUGH THEIR RESPECTIVE SELLING AGENTS, MAY ARRANGE FOR THE OFFER AND RESALE OF SUCH NOTES TO U.S. PERSONS OR PERSONS IN THE UNITED STATES WHO ARE QIBS IN RELIANCE ON RULE 144A OR PURSUANT TO ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF NOTES AND DISTRIBUTION OF THIS OFFERING MEMORANDUM, SEE *"SELLING RESTRICTIONS – SINGAPORE"*, *"SUBSCRIPTION AND SALE"* AND *"TRANSFER RESTRICTIONS"*.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES OR THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

This Offering Memorandum does not constitute an offer of, or an invitation by or on behalf of PSAI, PSA Treasury, the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, employees, representatives, advisers, agents, affiliates or any person who controls any of them to subscribe for or purchase any Notes.

The Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, employees, representatives, advisers, agents, affiliates or any person who controls any of them have not separately verified the information contained in (or incorporated into) this Offering Memorandum. To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Trustee or the Agents, nor any of their respective directors, officers, representatives, employees, advisers, agents, affiliates or any person who controls any of them makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in (or incorporated into) this Offering Memorandum or for any statement made or purported to be made by the Arrangers, the Dealers, the Trustee or the Agents or on their behalf in connection with PSAI, PSA Treasury, the Programme or the issue and offering of the Notes. Each of the Arrangers, the Dealers, the Trustees, the Agents, and each of their respective directors, officers, representatives, employees, advisers, agents, affiliates and each person who controls any of them accordingly disclaim all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Offering Memorandum or any such statement. Neither this Offering Memorandum nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of PSAI, PSA Treasury, the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, employees, representatives, advisers, agents, affiliates or any person who controls any of them that any recipient of this Offering Memorandum or any other person should purchase the Notes.

Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arrangers, the Dealers, the Trustee or the Agents, nor any of their respective directors, officers, employees, representatives, advisers, agents, affiliates or any person who controls any of them undertakes to review PSAI's or PSA Treasury's financial condition or affairs during the life of the arrangements contemplated by this Offering Memorandum or to advise any potential purchaser of Notes of any information coming to the attention of the Arrangers, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, employees, representatives, advisers, agents, affiliates or any person who controls any of them.

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal, financial, tax and other advisers before purchasing or acquiring the Notes.

In connection with the issue of any Series of Notes, one or more Dealers named as stabilisation coordinator(s) (the "**Stabilisation Coordinator(s)**") (or persons acting on behalf of any Stabilisation Coordinator(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Notes and 60 days after the date of the allotment of the relevant Series of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Coordinator(s) (or person(s) acting on behalf of any Stabilisation Coordinator(s)) in accordance with all applicable laws, rules and regulations.

Selling Restrictions – Singapore. This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may 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 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 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)(i)(B) of the SFA; or

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

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

(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.

For a description of other restrictions, see "*Subscription and Sale*" and "*Transfer Restrictions*".

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).

ADDITIONAL U.S. INFORMATION

This Offering Memorandum is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes may be offered and sold outside the United States to non-U.S. persons pursuant to Regulation S. Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption requirements of the Securities Act provide by Rule 144A.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and 21E of the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**"). All statements other than statements of historical facts included in this Offering Memorandum, including, without limitation, those regarding PSAI's or the PSA Group's financial position, business strategy, plans and objectives of management for future operations relating to PSAI's or the PSA Group's products and business, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results of PSAI or the PSA Group, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding PSAI's or the PSA Group's present and future business strategies and the environment in which PSAI or the PSA Group will operate in the future. Among the important factors that could cause PSAI's or the PSA Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the condition of and changes in the local, regional or global economy that adversely affect the port industry, changes in government regulation and licensing of the business activities of PSAI or the PSA Group, and increased competition in the port industry. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*", "*Industry Background and Trends*", "*PSAI and the PSA Group*" and "*Management and Employees*". These forward-looking statements speak only as at the date of this Offering Memorandum. PSAI and PSA Treasury expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in PSAI's, PSA Treasury's or the PSA Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Given the uncertainties of forward-looking statements, PSAI and PSA Treasury cannot assure any prospective purchaser that projected results or events will be achieved and prospective purchaser not to place undue reliance on these statements.

AVAILABLE INFORMATION

Each of PSAI and PSA Treasury has agreed that, for so long as any Notes issued by it are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, it will, during any period that it is neither subject to sections 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder furnish, upon request, to any QIB who is a holder or beneficial owner of such restricted securities or any QIB who is a prospective purchaser designated by any such holder or beneficial owner or to the Trustee for delivery to such holder, beneficial owner of prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

ENFORCEABILITY OF JUDGMENTS

Each of PSAI and PSA Treasury is a company incorporated under the laws of Singapore. Substantially all of the directors and executive officers of PSAI and the directors of PSA Treasury reside outside the United States. All or substantially all of the assets of such persons and of PSAI and PSA Treasury may be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon any of PSAI, PSA Treasury or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States. Judgments of United States courts based upon the civil liability provisions of the federal securities laws of the United States may not be enforceable in Singapore courts, and there is doubt as to whether Singapore courts will enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of the federal securities laws of the United States.

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Offering Memorandum have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of PSAI, PSA Treasury, the Arrangers, the Dealers, the Trustee or the Agents, nor any of their respective directors, officers, employees, representatives, advisers, agents, affiliates or any person who controls any of them makes any representation as to the accuracy or completeness of that information.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise stated, all financial and other data regarding PSAI's business and operations presented herein is on a consolidated basis. Included elsewhere in this Offering Memorandum are

- PSAI's consolidated statements of financial position as at 31 December 2018, 2019 and 2020;
- its consolidated income statements for the years ended 31 December 2018, 2019 and 2020; and
- its consolidated statements of cash flows for the years ended 31 December 2018, 2019 and 2020,

in each case, prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") issued by the Accounting Standards Council of Singapore, and International Financial Reporting Standards ("**IFRS**") and each audited by KPMG LLP, Public Accountants and Chartered Accountants, as stated in their report attached hereto.

All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in this Offering Memorandum unless otherwise stated.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, all references to "**Singapore**" are references to the Republic of Singapore and all references to the "**U.S.**" and "**United States**" are references to the United States of America. All references to the "**Government**" herein are references to the government of the Republic of Singapore. References herein to "**Singapore dollars**" and "**S$**" are to the lawful currency of Singapore and all references to "**U.S. dollars**" and "**U.S.$**" are to the lawful currency of the United States of America.

Except where such references are made in the context of financial information, all references herein to the "**PSA Group**" are to PSAI, together with its subsidiaries and joint ventures taken as a whole.

In the context of financial information, references to the "**PSA Group**" are to PSAI and its subsidiaries, taken as a whole.

Certain volume figures in this Offering Memorandum are expressed in "TEU". A "**TEU**" is a twenty-foot equivalent unit that is based on the dimensions of a cargo container 20 feet long by 8 feet wide by 8 feet 6 inches high with maximum load of 24 tonnes. Volumes, consistent with the general practice in the port industry, is calculated on a gross basis, which means that any operations in which the PSA Group has a partial stake are accounted for as if such operations were fully-owned by the PSA Group.

In this Offering Memorandum, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

SUPPLEMENTARY OFFERING MEMORANDUM

Each of PSAI and PSA Treasury has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant change affecting any matter contained in this Offering Memorandum the inclusion of which would reasonably be required by an investor for the purpose of making an informed assessment of the assets and liabilities, financial position and profits and losses of PSAI, and the rights attaching to the Notes or the Guarantee, PSAI and/or PSA Treasury shall prepare an amendment or supplement to this Offering Memorandum or publish a replacement Offering Memorandum for use in connection with any subsequent offering of the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof:

(i) each relevant Pricing Supplement;

(ii) the most recently published audited consolidated annual financial statements, and any interim financial statements (whether audited or unaudited) published subsequent to such annual financial statements, of PSAI from time to time (if any), in each case with the report of PSAI's auditors in connection therewith (if any); and

(iii) all amendments and supplements from time to time to this Offering Memorandum (if any),

(together, the "**Incorporated Documents**")

shall be deemed to be incorporated in, and to form part of, this Offering Memorandum and which shall be deemed to modify or supersede the contents of this Offering Memorandum to the extent that a statement contained in any such Incorporated Document is inconsistent with such contents. Such Incorporated Documents shall be incorporated in and form part of this Offering Memorandum, save that any statement contained in an Incorporated Document shall be deemed to be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained in any subsequent Incorporated Document modifies or supersedes such statement in the earlier Incorporated Document (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 Offering Memorandum.

Copies of all Incorporated Documents which are so deemed to be incorporated in, and to form part of, this Offering Memorandum will be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection by the Noteholders at the office of the Issuing and Paying Agent set out at the end of this Offering Memorandum. Copies of the most recently published audited consolidated financial statements of PSAI will be available on the website of the SGX-ST at https://www.sgx.com.

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements contained or referred to elsewhere in this Offering Memorandum including the sections "Risk Factors", "PSAI and the PSA Group" and "Board, Committees and Management of PSAI".

Introduction

The PSA Group is a leading global port group and a trusted partner to cargo stakeholders around the world. The PSA Group's portfolio comprises deep-sea, rail and inland terminals, as well as related businesses in distriparks, warehouses and marine services. The PSA Group has business entities providing trade facilitation, digital and IT services. The PSA Group's main business is in the provision of integrated container terminal services and it has extended its business to provide multimodal and digital platform solutions to cargo owners and service providers. PSAI, through its subsidiaries, joint ventures and an investee company, has a network of over 60 terminals across 55 locations in 26 countries worldwide. In 2021, the PSA Group handled 91.5 million TEUs at its port projects around the world. PSAI is the holding company of the PSA Group, which comprises PSAI and its subsidiaries and its interests in associates and jointly-controlled entities.

The PSA Group also provides marine services through PSA Marine (Pte) Ltd ("**PSA Marine**"), a wholly-owned subsidiary of PSAI.

For the year ended 31 December 2020, the PSA Group's consolidated revenue and net profit attributable to owner of PSAI amounted to S$4,178.9 million and S$1,191.2 million respectively and, as at 31 December 2020, the PSA Group had total consolidated assets of S$23,371.9 million.

Strategy

The PSA Group is a trusted partner to cargo stakeholders around the world. The PSA Group actively collaborates with its customers and partners to deliver world-class port services, develop innovative cargo solutions and co-create an 'Internet of Logistics'.

The PSA Group's multi-pronged strategy is described below.

Continue to Strengthen its Key Transhipment Hub in Singapore

PSA Singapore is the world's largest container transhipment hub, handling 37.2 million TEUs in 2021 and anchoring Singapore's position as the world's second busiest container port last year. Singapore is strategically located across major trade lines, providing shippers with excellent connectivity to 600 ports around the world. About 85 per cent. of containers handled by PSA Singapore are bound for other regional and international ports. In 2020, PSA Singapore handled more than 15 per cent of global container transhipment volumes. PSA Singapore is equipped with facilities and equipment which enable it to handle the largest vessels sailing on the world's oceans today – many of which can carry over 20,000 TEUs of containers. Its scale, scope of resources and reputation for operational excellence have enabled it to respond nimbly to the constant changes in the shipping line industry and the resulting re-alignment of shipping services. Given the strategic location of Singapore, PSA Singapore benefits from being at the nexus of major trade routes, enabling it to capture a share of the east-west, north-south and intra-regional shipping trade. PSA Singapore will remain a key pillar of the PSA Group.

Initiatives to strengthen PSA Singapore's competitive position include:

(i) building on PSA Singapore' strong connectivity and seamless transhipment processes by offering a range of frequent daily sailings, which in turn translates into faster time to market for shippers. The PSA Group believes that this is a competitive strength of PSA Singapore relative to other ports in the region;

(ii) capitalising on the natural deep-water characteristics of PSA Singapore's location by consolidating its leading position to capture an increasing share of large container vessels that ply the major trade routes through further expansion of its berth and crane facilities. PSA Singapore has continually invested in its class-leading infrastructure and the latest port and climate technology at its terminals. Functioning as one integrated facility, its City Terminals and Pasir Panjang Terminals have a total designed capacity of 50 million TEUs;

(iii) enhancing its ability to provide customised services to its customers and to handle large volumes of containers on behalf of its shipping line customers including managing the operational complexities of transhipment and connections among the shipping alliances. PSA Singapore is able to provide customers with an online, real-time interface with shipping agencies, freight forwarders, hauliers and trade and customs agencies with its proprietary PORTNET® system. Together with its Computer Integrated Terminal Operations System (CITOS®), PSA Singapore handles more than 100,000 TEUs daily. By collaborating with ecosystem partners, PSA Singapore has also co-developed digital platforms to extend the port's digital connectivity to the wider supply chain community for greater resilience and efficiency. This operational capability, together with its strong connectivity and Singapore's strategic location, helps customers to reduce overall shipping times and benefit from the advantages of scale offered by PSA Singapore; and

(iv) working closely with the Government and MPA to actively promote Singapore as a maritime hub and develop Tuas Port as part of an integrated supply chain ecosystem. Tuas Port will be co-located alongside an industrial hinterland, which will allow the port to be both physically and digitally integrated with the wider supply chain network. Phase 1 of Tuas Port will begin operations in end-2021. When completed, Tuas Port is expected to be the largest fully automated container terminal in the world, with an annual handling capacity of 65 million TEUs, and consolidate PSA Singapore's container terminal operations.

Continue to Deepen and Diversify its Global Presence

The PSA Group is a global terminal operator with a network of over 60 terminals across 55 locations in 26 countries worldwide, including related businesses in distriparks, warehouses and marine services. It has a diversified geographic reach, serving the growing needs of its customers. With a wide network of ports in key locations, spanning important global cargo gateways, customers are able to benefit from high levels of efficiency, reliable service and access to complementary cargo solutions. The PSA Group has been able to expand by leveraging its expertise in the efficient management of port and port-related activities thereby diversifying to reduce earnings concentration.

The PSA Group, as a global terminal operator, is supported by its strong financial position. The PSA Group's cash and bank balances were S$4.05 billion, S$3.19 billion and S$ 4.40 billion in 2018, 2019 and 2020 respectively, providing a significant source of financial flexibility for its expansion.

The PSA Group has embarked on future-proofing projects that will ensure that its portfolio terminals continue to be able to handle mega vessels and shipping alliance, with optimised capacity and connections to facilitate the smooth functioning of global supply chains and to contribute to sustainable growth and development in their regions.

The PSA Group continually evaluates new overseas port ventures in accordance with two important criteria: (a) growth potential in container volumes and (b) scope for productivity and efficiency improvements. The PSA Group is open to opportunities to build successful partnerships and/or secure management arrangements with strategic partners to expand its global operations in every region. In 2021, the PSA Group's operations outside Singapore increased by 8.4 per cent. over 2020, handling 54.3 million TEUs.

In response to the evolving and increasingly complex demands of the global supply chain, the PSA Group has also invested and intends to continue to invest in growing its hinterland coverage and port adjacencies assets. In China, the PSA Group invested in CUIRC in 2016, which operates China's largest inland railway container terminal network. The PSA Group also continues to participate in the expanding scope and progressive build up of the International Land-Sea Trade Corridor ("**ILSTC**") between Chongqing to Beibuwan and onwards to ASEAN and beyond. In 2018, the PSA Group acquired a majority stake in Ashcroft Terminal in Western Canada, an important entry point to the hinterland supply chain servicing the North American market. More recently, in 2021, the PSA Group acquired a majority stake in Indian container freight station (CFS) operator Ameya Logistics Pvt. Ltd ("**Ameya**"). Ameya handles cargoes from key cargo centres in Maharashtra and Gujarat, providing integrated cargo solutions to cargo owners together with the PSA Group's seaports in India.

Building Win-Win Partnerships to Co-Create New Value

Building successful partnerships with cargo stakeholders is a key approach in achieving the PSA Group's strategy.

The PSA Group places strong emphasis on delivering high standards of service, nurturing excellent customer relations and collaborating with ecosystem stakeholders. The PSA Group has continuously developed and upgraded its terminal infrastructure, pioneered new systems and processes, as well as streamlined operations to meet the rapid growth in its terminals business. It works closely with the shipping lines, using its collective skills, knowledge and experience to anticipate its customers' needs and deliver customised services according to the shipping line customers' individual requirements.

As part of its aim to provide value-added services to its customers, the PSA Group has engaged in strategic partnerships and joint ventures with shipping lines, governments, port authorities, and multi-national corporations to develop, operate and own port terminal facilities globally. Examples of these partners include the Panama Canal Authority, the Busan Port Authority, the Tianjin Port Group, and Italy's Ministry for Infrastructure and Transport. Such joint ventures and partnerships allow the PSA Group's shipping line customers to secure assured capacity to accommodate growing volumes at key hubs, while ensuring sustained volume growth in the future for the PSA Group.

In Singapore, the PSA Group has established joint venture terminals with CMA CGM, COSCO, HMM, MSC, ONE and PIL in Singapore between 2003 and 2020. The PSA Group also entered into a joint venture with NYK and K-Line to establish Singapore's first dedicated car terminal, Asia Automobile Terminal (Singapore) in 2008. In Belgium, the PSA Group entered into a joint venture with MSC in 2003 to jointly manage MPET in Antwerp, one of MSC's major European hubs. Elsewhere around the world, the PSA Group established NPCT1 in 2014, with PT. Pelabuhan Indonesia II (Persero), Mitsui and NYK to jointly participate in the construction and operation of a new container terminal at Tanjung Priok Port, Jakarta, Indonesia. In 2015, the PSA Group established BPCT by signing a joint venture agreement with BPG and PIL to operate a new container terminal in Qinzhou City (Guangxi Province, China). The PSA Group also gained its first foothold in Eastern Europe by partnering the Polish Development Fund and the IFM Global Infrastructure Fund to jointly acquire DCT Gdansk in 2019. In 2020, Saudi Global Ports ("**SGP**"), a partnership between PSA and Public Investment Fund, secured a new Build-Operate-Transfer Agreement that established SGP as the sole container terminal operator of Dammam Port in Saudi Arabia. In March 2021, the PSA Group and German multimodal logistics company Duisburger Hafen AG ("**duisport**") formed a joint venture company, Multimodal Investments Pte Ltd ("**MIPL**") to invest in multimodal logistics facilities in Asia, enhancing connectivity and trade flows between Europe and Asia. Through MIPL, duisport has taken a stake in the PSA Group's current investments in China's multimodal logistics facilities in Chongqing and CUIRC.

In order to harness the potential of digital technologies and the energy of the start-up ecosystem, the PSA Group launched its external innovation and corporate venture capital arm, PSA unboXed in 2016. PSA unboXed focuses on seeking solutions related to ports, maritime, logistics and containerised cargo flow. In 2018, PSA unboXed also signed a memorandum of understanding with CMA-CGM's Ze Box to collaborate and co-create solutions to address industry challenges.

Orchestrating Supply Chain Solutions, Leveraging on the Group's Assets

The PSA Group established a PSA Cargo Solutions unit in 2018 to seek out partnerships and common ground with stakeholders to orchestrate supply chain solutions, leveraging on the PSA Group's assets and co-creating an 'Internet of Logistics'. The PSA Cargo Solutions unit offers complementary cargo solutions to benefit cargo owners and service providers with the ability to better manage their cargo flows for greater efficiency. PSA Cargo Solutions seeks to (i) create value in key markets including chemicals, advanced manufacturing and e-commerce; (ii) offer specialised services for shippers to get their goods just-in-time; and (iii) provide multimodal solutions in different locations for just-in-case assurance. Multimodal solutions, cargo flow management and supply chain solutioning are backed by the PSA Group's global network of physical assets, including inland container depots, cold stores and reefer services, as well as proprietary systems and software.

In 2018, the PSA Group acquired the majority share of CrimsonLogic, with the aim of building on its integrated trade facilitation platforms. CrimsonLogic provides end-to-end business and citizen centric eGovernment solutions, products and services to streamline customs, trade facilitation, legal and IT security. In collaboration with CrimsonLogic's wholly-owned subsidiary GeTS, the PSA Group also developed and launched CALISTA®, a global supply chain platform that brings together key physical, compliance and financial activities of cargo logistics on a digital eco-system.

In June 2020, PSA Cargo Solutions entered into a strategic partnership with One Network Enterprise, a software supplier, to expand upon the PSA Group's global terminal and logistics operations as well as enhance the capabilities of the PSA Group's lead logistics provider service for global third-party logistics customers. This integrated operating platform for customers and trading partners – PSA CS Control Tower – provides end-to-end control and visibility of global supply chains.

On 24 November 2021, the PSA Group signed an agreement to acquire 100 per cent. of the shares of BDP International Inc. ("**BDP**"), a leading provider of global integrated supply chain, transportation and logistics solutions. The transaction is subject to formal approvals by the relevant authorities and other customary closing conditions, and the process is expected to take several months. The PSA Group will benefit from BDP's global expertise in end-to-end supply chain services while BDP can leverage on the PSA Group's network of assets worldwide.

The PSA Group believes it continues to be well-positioned to capitalise on the growth opportunities for cargo movements arising from strong global trade, the trend towards increasing use of regional and international transhipment hubs, the increased demand for supply chain resilience and the application of digital technologies.

Enabling a Better World with Sustainable Port and Supply Chain Solutions

The PSA Group envisions a future in which smarter, more sustainable transport and logistics solutions pave the way for a healthier planet and more resilient society for generations to come.

In 2020, the PSA Group developed its sustainability strategy framework to clearly articulate its sustainability ambitions and priorities. The framework illustrates how the PSA Group seeks to create sustainable value and be a steward of responsible business. Three key areas – Taking Climate Action, Transforming Supply Chains and Nurturing a Future-Ready Workforce – were defined. These are areas which the PSA Group believes would differentiate itself as it continues to build on its strength and develop sustainably.

The PSA Group published its first Sustainability Report in August 2021 to reflect its commitment to drive accountability and continuous improvement in its sustainability performance as a business.

To implement its sustainable strategy and achieve its goals, the PSA Group has set out targets and commitments to drive performance and manage its priority material sustainability topics. In taking climate action, the PSA Group's targets include reducing absolute Scope 1 and 2 carbon emissions by 50 per cent. by 2030 and 75 per cent. by 2040, against a 2019 baseline year. It also aims to achieve net zero carbon emissions by 2050 and for 90 per cent. of its Rubber Tyred Gantry Cranes to be electric or hybrid by 2030.

In transforming supply chains, the PSA Group targets to implement ten supply chain projects by 2024 that provide sustainable logistics and transport solutions impacting at least 3,000 TEUs of cargo volume per project. It also commits to invest at least S$100 million by 2025 in research and development projects to achieve more efficient and sustainable operations.

In nurturing a future ready workforce, the PSA Group targets to achieve at least 75 per cent. participation in the global Employee Opinion Poll and zero significant incidents. Stewarding responsible business targets and commitments includes implementing Sustainable Concrete for 50 per cent. of new civil infrastructure construction projects by 2023, adopting cyber security best practices and conducting its business with highest standards of ethics and integrity with zero tolerance stand towards fraud.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following tables present summary consolidated financial information for PSAI as at and for the years ended 31 December 2018, 2019 and 2020.

The summary financial information below has been derived from, and should be read in conjunction with, PSAI's audited consolidated financial statements and the notes thereto which appear elsewhere in this Offering Memorandum. The audited consolidated financial statements of PSAI were audited by PSAI's independent auditors, KPMG LLP, whose reports on the audited financial statements for each of the years ended 31 December 2019 and 2020 are included herein.

PSA International Pte Ltd

Consolidated Statements of Financial Position

	As at 31 December		
	2018	**2019**	**2020**
		(S$' million)	
Assets			
Property, plant and equipment	5,396.5	5,869.5	5,931.4
Intangible assets	2,140.2	2,552.9	2,535.8
Right-of use assets	–	938.9	998.1
Associates	3,418.8	3,130.0	3,205.0
Joint ventures	2,803.9	3,413.0	3,577.0
Financial assets	1,187.4	1,296.1	1,360.0
Other non-current assets	229.7	238.2	202.0
Deferred tax assets	12.6	38.0	39.3
Non-current assets	15,189.1	17,476.7	17,848.6
Inventories	44.9	43.2	45.8
Trade and other receivables	954.0	906.6	1,080.6
Cash and bank balances	4,054.4	3,188.1	4,397.0
Current assets	5,053.3	4,137.9	5,523.3
Total assets	20,242.4	21,614.5	23,371.9
Equity			
Share capital	1,135.4	1,135.4	1,135.4
Accumulated profits	11,415.3	11,676.1	12,342.8
Other reserves	(1,206.8)	(1,305.8)	(1,112.0)
Equity attributable to owner of PSAI	11,343.9	11,505.6	12,366.2
Non-controlling interests	701.6	713.7	760.1
Total equity	12,045.4	12,219.3	13,126.2
Liabilities			
Borrowings	4,586.8	4,133.2	4,204.3
Lease liabilities	–	990.4	1,062.5
Provisions	9.2	10.7	10.6
Other non-current obligations	239.2	341.3	451.1
Deferred tax liabilities	493.9	495.2	497.9
Non-current liabilities	5,329.2	5,970.8	6,226.4
Trade and other payables	1,393.0	1,294.3	1,464.5
Borrowings	1,254.5	1,828.1	2,224.5
Lease liabilities	–	54.9	58.2
Current tax payable	220.3	247.3	272.1
Current liabilities	2,867.8	3,424.5	4,019.3
Total liabilities	8,197.0	9,395.3	10,245.7
Total equity and liabilities	20,242.4	21,614.5	23,371.9

Consolidated Income Statements

	For the years ended 31 December		
	2018	2019	2020
		(S$' million)	
Revenue	4,086.2	4,077.5	4,178.9
Other income	212.3	275.9	224.3
Staff and related costs	(981.5)	(1,037.1)	(1,013.9)
Contract services	(531.1)	(542.6)	(551.9)
Running, repair and maintenance costs	(366.9)	(357.7)	(342.1)
Other operating expenses	(366.2)	(294.0)	(433.2)
Property taxes	(31.7)	(32.9)	(23.5)
Depreciation and amortisation	(663.7)	(719.5)	(748.0)
Service concession revenue	115.6	42.2	–
Service concession costs	(115.6)	(42.2)	–
	–	–	–
Profit from operations	1,357.4	1,369.4	1,290.6
Finance costs	(217.9)	(262.7)	(239.3)
Share of profit of associates, net of tax	148.1	197.9	187.2
Share of profit of joint ventures, net of tax	192.0	158.0	174.2
Profit before income tax	1,479.7	1,462.5	1,412.7
Income tax expense	(228.9)	(197.1)	(221.5)
Profit for the year	1,250.8	1,265.4	1,191.2
Non-controlling interests	(46.0)	(19.6)	(23.2)
Net profit attributable to owner of PSAI	1,204.7	1,245.8	1,168.1

The table below presents certain unaudited financial data relating to the PSA Group as at and for the years ended 31 December 2018, 2019 and 2020.

	As at and for the years ended 31 December		
	2018	**2019**	**2020**
EBITDA[(1)] (S$' million)	2,357.7	2,415.3	2,451.0
Total Debt/EBITDA[(1)(2)] (times)	2.5	2.5	2.6
EBITDA/Finance Costs[(1)] (times)	10.8	9.2	10.2
Total Debt/Total Capitalisation[(2)(3)]	32.7%	32.8%	32.9%

Notes:

(1) EBITDA represents profit for the year plus (i) income tax expense, (ii) finance costs, (iii) depreciation of property, plant and equipment, (iv) amortisation of intangible assets, (v) depreciation of right-of-use assets, (vi) impairment of assets and (vii) losses on disposal of property, plant and equipment, intangible assets, financial assets, associates, jointly-controlled entities and subsidiaries, minus (viii) gains on disposal of property, plant and equipment, intangible assets, financial assets, associates, jointly-controlled entities and subsidiaries and (ix) reversal of impairment of assets. EBITDA may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. The PSA Group has included EBITDA because it believes it is an indicative measure of its operating performance and is used by investors and analysts to evaluate companies in its industry. EBITDA should be considered in addition to, not as a substitute for, operating income, net income, cash flows from operating activities and other measures of financial performance and liquidity reported in accordance with SFRS(I) and SFRS.

(2) Total Debt is defined as the sum of bank loans, fixed and floating rate notes, finance lease liabilities (no longer valid from 2019), loans from joint venture and interest-bearing loans from non-controlling shareholders of subsidiaries.

(3) Total Capitalisation is defined as Total Debt plus total equity.

The table below presents certain unaudited operational data relating to the PSA Group for the years ended 31 December 2019, 2020 and 2021.

	For the years ended 31 December		
	2019	**2020**	**2021**
		(million TEUs)	
PSA Singapore	36.9	36.6	37.2
Rest of the World	48.3	50.1	54.3
Total volumes	85.2	86.6	91.5

OVERVIEW OF THE PROGRAMME

*The following is a general overview of the Programme. This overview is partly derived from and should be read in conjunction with, the full text of the terms and conditions of the Notes (the "**Conditions**") (see "Terms and Conditions of the Notes") and the Amended and Restated Trust Deed dated 29 March 2016 between PSAI, PSA Treasury and the Trustee (the "**Trust Deed**") (and, where applicable, the Singapore Supplemental Trust Deed dated 29 March 2016 between PSAI, PSA Treasury and the Trustee (the "**Supplemental Trust Deed**")) relating to the Notes. The Conditions and the Trust Deed (and, where applicable, the Supplemental Trust Deed) will prevail to the extent of any inconsistency with the terms set out in this summary.*

Issuers:	PSA International Pte Ltd and PSA Treasury Pte. Ltd.
Guarantor:	Notes issued by PSA Treasury will be guaranteed by PSAI. Notes issued by PSAI will not be guaranteed. References in this Offering Memorandum to the Guarantor and the Guarantee shall only apply to any Guaranteed Notes that are issued under the Programme.
Description:	Global Medium Term Note Programme.
Size:	Up to U.S.$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arrangers:	DBS Bank Ltd. and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
Dealers:	BNP Paribas, Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Morgan Stanley Asia (Singapore) Pte. The Issuers and the Guarantor may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches (as defined below) or in respect of the whole Programme. References in this Offering Memorandum to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Trustee:	The Bank of New York Mellon.
Issuing and Paying Agent:	The Bank of New York Mellon.
Paying Agent:	The Bank of New York Mellon or The Bank of New York Mellon, London Branch.
Singapore Paying Agent:	The Bank of New York Mellon, Singapore Branch.

Registrar:	The Bank of New York Mellon (in respect of each Series of Notes cleared through the DTC ("**DTC Notes**")), The Bank of New York Mellon, Singapore Branch (in respect of each Series of Notes cleared through CDP ("**CDP Notes**")) or The Bank of New York Mellon SA/NV, Luxembourg Branch (formerly The Bank of New York Mellon (Luxembourg) S.A.) in respect of each Series of Notes (other than DTC Notes and CDP Notes).
Calculation Agent:	The Bank of New York Mellon, London Branch.
Exchange Agent:	The Bank of New York Mellon (in respect of each Series of DTC Notes) or The Bank of New York Mellon, London Branch in respect of each Series of Notes (other than DTC Notes and CDP Notes).
Transfer Agent:	The Bank of New York Mellon (in respect of each Series of DTC Notes), The Bank of New York Mellon, Singapore Branch (in respect of each Series of CDP Notes) or The Bank of New York Mellon SA/NV, Luxembourg Branch (formerly The Bank of New York Mellon (Luxembourg) S.A.) in respect of each Series of Notes (other than DTC Notes and CDP Notes).
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be fungible with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the pricing supplement (the "**Pricing Supplement**").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly-Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes:	The Notes may be issued in bearer form ("**Bearer Notes**"), in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") or in registered form ("**Registered Notes**"). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "*Selling Restrictions*" below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**".

	Registered Notes sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by an Unrestricted Global Certificate. Registered Notes sold in reliance on Rule 144A will initially be represented by a Restricted Global Certificate.
Clearing Systems:	CDP, Clearstream, Euroclear, DTC and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer, the Guarantor, the Issuing and Paying Agent, the Trustee, the relevant Registrar and the relevant Dealer(s).
Initial Delivery of Notes:	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with CDP or a Common Depositary for Euroclear and Clearstream or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer, the Guarantor, the Trustee, the Issuing and Paying Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s).
Maturities:	Subject to compliance with all relevant laws, regulations and directives, the Notes may have any maturity agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s), subject to any minimum or maximum maturity as required by relevant laws and regulations.
Specified Denomination:	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area (the "**EEA**"), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies) and (iii) in the case of any Notes to be sold in the United States in reliance on Rule 144A, the minimum specified denomination shall be U.S.$200,000.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

Floating Rate Notes:	Floating Rate Notes (as defined in the "*Terms and Conditions of the Notes*") will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to LIBOR, LIBID, LIMEAN, EURIBOR, HIBOR, SIBOR or SOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the relevant Pricing Supplement.
Variable Rate Notes:	Variable Rate Notes (as defined in "*Terms and Conditions of the Notes*") may be issued pursuant to the Programme on terms specified in the relevant Pricing Supplement.
Zero Coupon Notes:	Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in "*Terms and Conditions of the Notes*") will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.
Index Linked Interest Notes:	Payments of principal in respect of Index Linked Interest Notes (as defined in "*Terms and Conditions of the Notes*") or of interest in respect of Index Linked Interest Notes (as defined in "*Terms and Conditions of the Notes*") will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption:	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Redemption by Instalments:	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly-Paid Notes and any other type of Note that the relevant Issuer, the Guarantor, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and the supplementary Offering Memorandum.
Optional Redemption:	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of Notes and Guarantee:	The Notes will constitute unsubordinated and unsecured obligations of the relevant Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the relevant Issuer under the Notes and the Receipts and the Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of such Issuer, present and future. The payment obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor. See "*Terms and Conditions of the Notes – Status and Guarantee*".
Negative Pledge:	None.
Cross Default:	See "*Terms and Conditions of the Notes – Events of Default*".
Ratings:	PSAI has been assigned a credit rating of Aa1 (stable) by Moody's and AA (stable) by Standard and Poor's. Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Early Redemption:	Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons. See "*Terms and Conditions of the Notes – Redemption, Purchase and Options*".

Withholding Tax:	The principal of, and interest on, Notes not denominated in Singapore dollars will be payable by the relevant Issuer or the Guarantor without withholding or deductions for, or on account of, taxes imposed by or on the relevant Issuer or the Guarantor, except as otherwise required by law. If the relevant Issuer or the Guarantor is required by law to deduct or withhold any taxes, imposed or levied by or on the relevant Issuer or the Guarantor, the relevant Issuer or, as the case may be, the Guarantor will, subject to certain exceptions, be required to pay such additional amounts as necessary to enable holders of Notes not denominated in Singapore dollars to receive, after such deductions or withholding, the amounts they would have received in the absence of such withholding or deductions. The relevant Issuer or, as the case may be, the Guarantor is not required to reimburse such amounts to holders of Singapore dollar denominated Notes, all as described in "*Terms and Conditions of the Notes – Taxation*".
Governing Law:	English law or Singapore law, as specified in the relevant Pricing Supplement. Notes governed by English law shall be issued under the Trust Deed and Notes governed by Singapore law shall be issued under the Supplemental Trust Deed.
Listing and Admission to Trading:	Application has been made to the SGX-ST for permission to deal in 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. There is no assurance that the application to the SGX-ST will be approved. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such 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 at least S$200,000 (or its equivalent in other currencies). Unlisted Series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s) in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be listed.
Redenomination, Renominalisation and/or Consolidation:	Notes denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in Euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Pricing Supplement.
Selling Restrictions:	The United States, the European Economic Area, the United Kingdom, Hong Kong, Japan and Singapore. See "*Selling Restrictions – Singapore*" and "*Subscription and Sale*".

For the purposes of Regulation S, Category 2 selling restrictions shall apply.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) (the "**D Rules**") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

Transfer Restrictions: There are restrictions on the transfer of Notes sold pursuant to Regulation S and on the transfer of Registered Notes sold pursuant to Rule 1A under the Securities Act. See "*Transfer Restrictions*".

Legal Entity Identifier ("LEI"): The LEI of PSAI and PSA Treasury are 254900SIC44UKBM2WI40 and 254900X7FR3V7789SL36 respectively.

RISK FACTORS

The risks described below should be carefully considered before making any investment decision. The risks described below are not the only ones relevant to PSAI, PSA Treasury, the PSA Group, the Notes and the Guarantee. Additional risks not presently known to PSAI or PSA Treasury or that they currently deem immaterial may also impair PSAI's, PSA Treasury's and the PSA Group's business operations. PSAI's, PSA Treasury's and the PSA Group's business, financial condition and/or results of operations could be materially adversely affected by any of these risks.

Terms used but not defined in this section shall have the meanings given to them in "Terms and Conditions of the Notes". The Conditions, the Trust Deed (and where applicable, the Supplemental Trust Deed) and the Agency Agreement will prevail to the extent of any inconsistency with the information set out in the sections "Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme" and "Risks related to Notes generally".

Factors that may affect the ability of PSAI or PSA Treasury to fulfil its respective obligations under Notes issued under the Programme

Indirect Government ownership of PSAI

PSAI is wholly-owned by Temasek Holdings (Private) Limited ("**Temasek**"), which is in turn wholly-owned by the Government through the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act 1959 of Singapore. However, as the Government is not legally obligated to provide financial support to Temasek or any of its subsidiaries (including PSAI), PSAI's obligations under the Notes and the Guarantee and PSA Treasury's obligations under the Notes are not guaranteed by the Government and the Government has no obligation to Noteholders. There can be no assurance that the Government will provide financial support to PSAI or PSA Treasury in the event that PSAI or PSA Treasury is unable to meet its obligations under the Notes or the Guarantee (as the case may be). In addition, the Government is not obligated to, and there can be no assurance that it will, maintain its current level of ownership in Temasek and Temasek is not obligated to, and there can be no assurance that Temasek will, maintain its current level of ownership in PSAI.

Significant contribution from major customers

Consistent with the high degree of concentration in the shipping industry and in line with other port operators, the major global and regional shipping lines contribute significantly to PSAI's and the PSA Group's business and revenue. Any departure of these major customers may adversely affect PSAI and the PSA Group. In 2020, the PSA Group's 10 largest shipping line customers accounted for approximately 68 per cent. of its consolidated revenue.

The container shipping industry has undergone significant consolidation. The PSA Group anticipates that for the foreseeable future, a limited number of its largest shipping line customers will continue to account for a significant portion of its container volumes and revenue globally. As a result of this consolidation, there can be no assurance that, were the PSA Group to lose one or more of its major customers, the PSA Group would be able to obtain business from other customers in amounts sufficient to replace any such lost revenue. Further, there can be no assurance that any of the PSA Group's existing customers will not transfer any of their business to other ports. Shipping lines, with consolidation of the shipping industry, have greater ability to negotiate prices, which may have an adverse effect on the PSA Group's business, results of operations, financial condition and future growth.

Significant competition

The global container terminal industry is highly competitive. The PSA Group's container terminals business, both in Singapore and overseas, will continue to face continued competition from other global and local container terminal operators within the markets in which the PSA Group operates and other strategically-located ports that are able to offer container services at competitive prices.

Any loss in the PSA Group's ability to counter competition from other port operators may adversely affect PSAI's and the PSA Group's business, results of operations, financial condition and future growth.

Dependence on economic and trade growth

The PSA Group believes that there is generally a direct correlation between the growth of global and regional trade and the growth in the volumes of its terminals business. The results of operations of the PSA Group reflect cargo volumes of shipping customers that are handled by the PSA Group, which in turn depend on worldwide trade volumes and the import and export volumes of the regions in which it operates. Such global trade volumes and the import and export volumes of the regions in which the PSA Group operates are significantly affected by changes in global and regional economic and financial conditions that are outside of its control. Any deterioration in such conditions may adversely affect the PSA Group's business, results of operations, financial condition and future growth.

Adverse impact of trade tensions and trade barriers

Geopolitical tensions continue to create uncertainty for global trade. While Asian countries are coming together to form new trade agreements, trade-related tensions remain between US-China, China-Australia and US-UK relations, among others. Import duties and trade barriers negatively impact imports and exports, and worsening international trade relations could have a knock-on effect on the global economy and global trade environment. The PSA Group's results of operations, being dependent on worldwide trade volumes and the import and export volumes of the regions in which it operates, may be adversely affected if trade tensions and trade barriers lead to reduced trading activity, or a slowdown in the global economy.

Credit risks of customers

The PSA Group sets credit limits for customers, takes financial guarantees from customers (where applicable) and monitors outstanding receivables. Despite these measures, there is a risk that the PSA Group's customers may in the future default on their obligations to any member of the PSA Group due to bankruptcy, lack of liquidity, operational failure or other reasons. Customers of the PSA Group primarily operate in the same industry as the PSA Group and therefore may be similarly affected by changes in economic and other conditions which affect the PSA Group. As a result of the significant consolidation that has occurred in the container shipping line industry, a limited number of the PSA Group's largest shipping customers account for a significant portion of the PSA Group's revenue and receivables. Furthermore, if any of its customers are privately-held companies, the PSA Group may face difficulties obtaining reliable information regarding their financial condition. Delayed payment, non-payment or non-performance of any of its customers could have a material adverse effect on the PSA Group's business, results of operations, financial condition and future growth.

Fluctuations in currency exchange rates

The PSA Group presents its financial statements in Singapore dollars. The PSA Group is exposed to fluctuations in currency exchange rates when translating the financial statements of its foreign subsidiaries, jointly-controlled entities and associated companies.

In addition to the currency translation exposure, the PSA Group incurs foreign currency risk on transactions that are denominated in a currency other than the functional currencies of the PSA Group entities. The functional currencies of the PSA Group entities are primarily Singapore dollars and Euro.

Political, economic, legal and regulatory changes

The PSA Group has a network of over 60 terminals across 55 locations in 26 countries worldwide. The PSA Group is subject to a broad range of risks, and these risks may increase as the PSA Group expands its operations into new countries, in particular countries which may have a heightened political and/or regulatory climate or particular onerous regulatory regimes.

The PSA Group may be adversely affected by political, economic, legal and regulatory changes in these countries and other countries where it may invest and/or operate in the future. Specific country risks that may have a material adverse effect on the PSA Group's financial condition and results of operations include political instability and violence, war and civil disturbance and government interventions, including expropriation or nationalisation of assets, increased protectionism and the introduction of tariffs or subsidies, changing fiscal, regulatory and tax regimes and arbitrary or inconsistent government action (including capricious application of tax laws and selective tax audits, cancellation, nullification or unenforceability of contractual rights), policies implemented by supranational regulatory bodies and under-developed industrial and economic infrastructure, including railway and road systems.

In addition, the legal system in certain of the jurisdictions in which the PSA Group operates and any new jurisdiction in which the PSA Group may operate, is less developed than in certain other countries, and the laws in such jurisdictions may not be interpreted and enforced in a consistent manner. The interpretation of laws may be subject to policy changes, such as those which reflect domestic policy changes. Further, as the legal system in such jurisdictions develop, the promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may have an adverse effect on the PSA Group's business, results of operations, financial condition and future growth.

Changes in investment policies in any of the countries in which the PSA Group operates could result in the introduction of increased government regulations with respect to price controls, export, import and volume controls, income and other taxes, environmental legislation, foreign ownership restrictions, foreign exchange and currency controls, labour and welfare benefit policies and land and water use.

Although the PSA Group has not experienced any significant problems with respect to its international operations, there can be no assurance that such problems will not occur. The occurrence of such problems in the future could have a material adverse effect on its business, results of operations, financial condition and future growth.

Regulation, compliance and legal and other proceedings

Many of the PSA Group's business operations are highly regulated and its business is subject to extensive laws, regulations, licensing and accreditation requirements in the countries in which it operates. The PSA Group's terminal services and marine services are conducted under valid licences, concessions, permits or certificates granted by the applicable regulatory body in each jurisdiction. The operations of the PSA Group are contingent on its ability to comply with these laws and regulations and to obtain, maintain and renew as necessary related licences, concessions, permits or certificates from governmental agencies and authorities in the countries in which it operates. Failure to comply with the relevant laws and regulations may result in financial penalties, administrative proceedings and legal proceedings against the PSA Group, including the revocation or suspension of its licences, any of which could have a material adverse effect on its business, financial condition and results of operations. If any of the licences, concessions, permits or certificates are revoked, suspended or amended, the PSA Group's operations, financial position and prospects may be adversely affected. There can be no assurance that the PSA Group will receive any compensation for any loss of revenue arising from such revocation, suspension or amendment.

There is also no assurance that the PSA Group will not from time to time be involved in disputes with various parties, which may lead to legal and other proceedings and may cause the PSA Group to suffer additional costs.

The PSA Group is also subject to U.S. and non-U.S. sanctions laws and violation of such laws can result in fines and other financial penalties, reputational damage and, in certain cases, criminal liability. On 24 November 2021, the PSA Group entered into a merger agreement to acquire a 100 per cent. interest in BDP. The PSA Group expects to consummate the acquisition in the first half of 2022, subject to the receipt of required regulatory approvals and satisfaction of other customary closing conditions. Pursuant to the terms of the agreement, on 29 November 2021, BDP submitted an initial notification of voluntary disclosure to the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**") regarding potential violations of sanctions laws and regulations administered by OFAC that occurred between 2016 and mid-2019. The merger agreement includes an indemnity to cover penalties (if any) and associated costs, up to a cap, in connection with this issue. There can be no certainty as to whether any penalty will be assessed by OFAC in respect of these potential violations and if so, its amount. The timing of a final determination by OFAC with respect to the information submitted to it is uncertain.

Joint venture and acquisition risks

The PSA Group has entered and expects to continue to enter into joint ventures and concession arrangements with other parties. Disagreements may occur between the PSA Group, its joint venture partners and/or such other parties, as the case may be, which may not be resolved amicably. Such joint ventures may also involve risks associated with the possibility that a joint venture partner may:

- have economic, business or legal interests or goals that are inconsistent with the PSA Group's interests;
- take actions contrary to the PSA Group's instructions, requests, policies and/or objectives;
- be unable or unwilling to fulfil its obligations under the joint venture or associated agreements;
- experience financial difficulties or experience a decline in their credit-worthiness; or
- have disputes with the PSA Group as to the scope of their responsibilities and obligations.

Although the PSA Group has not experienced any significant problems with respect to its joint venture partners to date, there can be no assurance that such problems will not occur. The occurrence of such problems in the future could result in the PSA Group making additional funding or capital contributions to its joint ventures and/or have a material adverse effect on the PSA Group's business, results of operations, financial condition and future growth.

In addition, the PSA Group has in the past acquired and may continue to acquire assets and businesses in order to expand its operations, and any such acquisitions entail risks resulting from, among others, integration of employees, processes, technologies and products. Such transactions may also give rise to substantial administrative and other expenses, and may also be subject to regulatory oversight, governmental or other approvals. The acquisition of new entities, assets and businesses may also result in the PSA Group becoming subject to additional laws, regulatory and licensing requirements and/or liability in connection with existing litigation, instances of past regulatory non-compliance or other events and proceedings to which the acquired entities are a party, even if such matters pre-date the entities' acquisition by PSA Group.

There is also a risk that not all material risks in connection with any acquisition or the establishment of a joint venture or strategic partnership will be identified in the due diligence process. These risks could materialise only after such acquisition has been completed or a joint venture or strategic partnership has been entered into, and may result in imposition of financial or other penalties, delays, increases in costs and expenses, disputes and/or proceedings, or other adverse consequences for the PSA Group. Any of the foregoing factors could have a material adverse effect on the PSA Group's businesses, financial position and results of operations.

Structural subordination of the Notes

PSAI is the holding company of the PSA Group. As a result of this structure, the Notes issued by PSAI and the Guarantee given by PSAI over the Guaranteed Notes are structurally subordinated to any and all existing and future liabilities and obligations of PSAI's subsidiaries, associated companies and joint ventures. Generally, claims of creditors, including trade creditors, and claims of preferred shareholders, if any, of such companies will have priority with respect to the assets and earnings of such companies over the claims of PSAI and its creditors, including the Noteholders.

Epidemics, terrorist acts, war-related events and other catastrophic events may affect the operations of the PSA Group

The business operations of the PSA Group could be adversely affected or disrupted by epidemics, terrorist attacks, natural disasters or other catastrophic or otherwise disruptive events, including without limitation:

- war, invasion, piracy, sabotage (including cybersecurity attacks), rebellion, revolution, insurrection, military or usurped power, riots or other forms of civil disturbance;
- radioactive or other material environmental contamination;
- outbreak of contagious diseases, which may adversely affect global or regional trade volumes or customer demand with respect to cargo transported to or from affected areas or lead to any imposition of quarantines;
- denial of the use of any railway, port, airport, shipping service or other means of public transport; and
- strike or lock-out or other industrial action by workers or employers.

The occurrence of any of these events at one or more of the facilities of the PSA Group or in the regions in which it operates may cause delays in the arrival and departure of vessels or disruptions to its operations in part or in whole, may subject the PSA Group to liability and may otherwise hinder the normal operation of its container terminals, which could materially affect its business, results of operations and financial condition. The effect of any of these events on the financial condition and results of operations of the PSA Group may be worsened to the extent that any such event involves risks for which the PSA Group is uninsured or not fully insured. See "*Insurance coverage and environmental liabilities*" below.

Outbreaks of Severe Acute Respiratory Syndrome (SARS), influenza A (H1N1), avian flu (H5N1), Ebola virus or Middle East Respiratory Syndrome (MERS) and other pandemics or epidemics, such as the outbreak in late 2019 of a novel strain of coronavirus (i.e. COVID-19), have caused or may cause disruption of regional or national economic activities. In particular, the COVID-19 outbreak which spread globally triggered a global downturn, caused stock markets worldwide to lose significant value, caused disruptions in demand and supply chains and impacted economic activity globally.

Governments around the world introduced measures designed to slow the spread of the virus, including strict border control and travel restrictions and ordering residents to stay at home with a limited range of exceptions. Governments have also deployed differing degrees of restrictions from time to time, depending on the infection cases within the countries and/or cities. The COVID-19 pandemic and policies implemented by governments to deter the spread of the virus have had and may continue to have an adverse effect on consumer confidence and the general economic conditions to which the PSA Group's business is subject. There is no assurance that such measures will be effective in ending or deterring the spread of COVID-19. While many countries have rolled out vaccination for the general population, the COVID-19 pandemic is still ongoing and the actual extent of the pandemic and its impact on the domestic, regional and global economy remain uncertain.

The economic and demand and supply chain disruptions arising from the COVID-19 pandemic could materially and adversely affect, or have materially and adversely affected, domestic production and consumption, containerised trade flow, labour supply and the overall gross domestic product growth of the affected countries and regions, including where the PSA Group has operations. A substantial portion of the PSA Group's revenue is currently derived from operations in some of these affected countries. Disruptions to the supply chain and reduced levels of consumption, commercial activities and industrial production in the affected countries precipitated an economic slowdown in global economies which, if prolonged, could cause a global recession. Any of the foregoing could materially and adversely affect the PSA Group's business, financial condition and results of operations.

The PSA Group has experienced some disruption in its business activities and operations due to, among other things, the imposition of quarantine measures by governments in the countries in which it operates and the impact of the COVID-19 outbreak on the operations of its customers, suppliers and other stakeholders in the supply chain. The PSA Group has also incurred additional costs in response to the COVID-19 pandemic and related government policies, such as providing personal protective equipment for employees, managing its on-site employees with appropriate safe distancing and other health and safety measures, and increased disinfection of facilities that the PSA Group relies on for its operations. As the COVID-19 pandemic is ongoing, there is no assurance that the PSA Group will not in the future experience more severe disruptions in the event that more stringent restrictive measures are imposed or if the COVID-19 pandemic becomes more severe or protracted. In addition, if a number of its employees are infected by the COVID-19 virus (or any other severe communicable disease), this may lead to a closure of the PSA Group's affected facilities to prevent the spread of the virus, and any increased costs and expenses may not be fully recoverable or adequately covered by insurance.

Credit rating agencies may also take negative ratings actions as a result of economic uncertainties and other negative macroeconomic factors in connection with the COVID-19 pandemic. There can be no assurance that Moody's, Standard and Poor or any other rating agency will not take additional negative ratings actions as a result of economic uncertainties or other factors in connection with the COVID-19 pandemic.

Any such occurrence would adversely affect or disrupt the PSA Group's business activities and operations and materially and adversely affect its business, financial condition and results of operations. As the COVID-19 pandemic is ongoing, the actual extent of the pandemic and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on the PSA Group's business, financial condition and results of operations will depend on, among other things, the duration and impact of the COVID-19 pandemic, the severity and length of the economic downturn and the speed and strength of the subsequent recovery.

Further, the terrorist attacks over the last few years have resulted in substantial and continuing economic volatility and social unrest globally. The political unrest in certain regions have exacerbated this volatility. Further developments stemming from these events or other similar events could cause further volatility. The direct and indirect consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the PSA Group may not be able to foresee events that could have an adverse effect on the results of its business operations. An increase in the frequency, severity or geographic reach of terrorist acts could destabilise the jurisdictions in which the PSA Group operates. Any additional significant military or other response by the U.S. and/or its allies or other nations or any further terrorist activities could also materially and adversely affect international financial markets and the economies in which the PSA Group operates and may adversely affect the PSA Group's business, results of operations, financial condition and future growth.

Adverse effect of additional security requirements and any breach of third parties' security procedures

Various international bodies and governmental agencies and authorities in the countries in which the PSA Group operates have implemented security measures that may affect its container terminal operations and the costs associated with such operations. Failure on the part of the PSA Group to comply with the security requirements applicable to it or obtain relevant security-related certifications may prevent certain shipping line customers from using its facilities, which could have a material adverse effect on its business, results of operations, financial condition and future growth.

Other than inspecting cargo that enters its terminals in accordance with the inspection procedures prescribed by, and under the authority of, the governmental body charged with oversight of the relevant port, the PSA Group also relies on the security procedures carried out by its shipping line customers and the port facilities that such cargo has previously passed through to supplement its own inspection to varying degrees. Although the PSA Group maintains security at its terminals to comply with required standards, there is no assurance that security of the cargo has not been breached prior to being loaded or unloaded from port facilities operated by the PSA Group. A security breach or act of terrorism that occurs at one or more of the PSA Group's facilities, or at the shipping lines or other port facilities in relation to the cargoes handled by the PSA Group, could subject the PSA Group to significant liability, including the risk of litigation and loss of goodwill. Further, a major security breach or act of terrorism that involves any container terminal operators may result in a temporary shutdown of some or a major part of the container terminal industry and/or the introduction of additional or more stringent security measures and other regulations affecting the container terminal industry. The costs associated with any such outcome could have a material adverse effect on the PSA Group's business, results of operations, financial condition and future growth.

Insurance coverage and environmental liabilities

Although members of the PSA Group maintain comprehensive insurance with reputable insurance companies to cover their assets against natural perils and certain operational risks, such insurance may be insufficient to cover losses which they might incur. The PSA Group's operations may also be affected by a number of risks, including terrorist acts and war-related events, for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions or potential damage to the PSA Group's facilities, machinery, property and equipment caused by fire, explosion, power loss, telecommunications failure, intentional unlawful act, natural disaster, inclement weather, human error, pollution and labour disputes or any decline in the PSA Group's business as a result of any threat of war, outbreak of disease or epidemic, as well as risks relating to provision of services to customers, including damage to customers' property, delays, misrouting of cargo and documentation errors, may result in losses or expose the PSA Group to liabilities in excess of its insurance coverage. There can be no assurance that insurance coverage effected by the members of the PSA Group will be sufficient to cover the loss arising from any or all such events or that they will be able to renew existing insurance cover or to renew on commercially reasonable terms.

In the event that an incident occurs in relation to which the PSA Group has no insurance cover or inadequate insurance cover, the PSA Group could lose the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed and, in certain cases, it may remain liable for financial obligations related to the impacted property. Any of these occurrences could have a material adverse effect on the PSA Group's business, results of operations and financial condition.

In addition, to the extent that any of the PSA Group's operations is located in a country or region that is designated a Hull, War, Strikes, Terrorism and Related Perils Listed Area by Lloyd's Joint War Committee, any insurance that the PSA Group obtains for such operation or its shipping customers obtain to call at such operation will likely require the payment of a war risk premium, which may be significant.

Credit ratings assigned to PSAI and/or the Notes

PSAI has been assigned a credit rating of Aa1 (stable) by Moody's and AA (stable) by Standard & Poor's. Each Series of Notes that may be issued under the Programme may be rated or unrated. The ratings may not reflect the potential impact of all risks related to structure, market, the risks discussed in this section and/or other factors that may affect the value of the Notes.

A credit rating is a statement of opinion and is not a recommendation to buy, sell or hold the Notes. Credit ratings are subject to suspension, revision or withdrawal at any time by the assigning credit rating agency. Credit rating agencies may also revise or replace entirely the methodology applied to assign credit ratings. No assurances can be given that a credit rating will remain for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the relevant credit rating agency if in its judgment circumstances in the future so warrant or if a different methodology is applied to assign such credit ratings.

Failure in information and technology systems could result in business operations delays

The information and technology systems of the PSA Group are designed to enable it to use its infrastructure resources as efficiently as possible and monitor and control all aspects of its operations. Any failure or breakdown in these systems could interrupt its normal business operations and result in a significant slowdown in operational and management efficiency for the duration of such failure or breakdown. Any prolonged failure or breakdown could significantly impact the ability of the PSA Group to offer services to its customers, which could have a material adverse effect on its business and results of operations. Similarly, any significant delays or interruptions in its loading or unloading of a customer's cargo could negatively impact its reputation as an efficient and reliable terminal operator. Given the pervasive nature of cybersecurity risks, and the reliance of the PSA Group on its information and technology systems, failure to adequately manage cybersecurity risk and update and review processes may leave the PSA Group vulnerable to cyber-attacks, which may cripple operations and have an adverse impact on its business, results of operations, financial condition, prospects, and reputation.

In addition, the PSA Group is reliant on third-party vendors to supply and maintain part of its information technology. In the event that any of such third-party vendors that the PSA Group engages to provide support and upgrades with respect to components of its information technology ceased operations or became otherwise unable or unwilling to meet its needs, there can be no assurance that the PSA Group would be able to replace any such vendor promptly or on commercially reasonable terms, if at all. Delay or failure in finding a suitable replacement could adversely affect its financial condition, results of operations and prospects.

The PSA Group may fail to implement and manage its new business strategy

The PSA Group has a strong history and depth of expertise as a global ports and terminal operator, and provider of marine services. Through investment in CUIRC, acquisition of CrimsonLogic, participation in the Global Shipping Business Network and various strategic partnerships with industry players, the PSA Group has extended its offerings beyond port to cargo solutions and digital products and systems for cross-border trade in partnership with supply chain stakeholders. This is in line with the PSA Group's vision of enabling supply chain orchestration with the port as the centre to unleash the full potential of supply chain resilience and sustainability. However, the PSA Group may not have the same depth of experience, familiarity and business relationships in these new business segments, and there is no assurance that the PSA Group will succeed in expanding into these new business segments and achieve profitability in these new segments.

Further, there are new risks associated with these new business segments. The PSA Group's operations in these new business segments are also subject to additional laws and regulations, and there are risks arising from potential failure to fully comply with such additional laws and regulations.

If the new business strategies are not successfully managed, or any of the additional risks described above materialises, there could be an adverse effect on the PSA Group's business, results of operations, financial condition and future growth.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks relating to the Notes

The Notes may not be a suitable investment for all investors

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

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Memorandum or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of 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.

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those 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 relevant Issuer may be expected to redeem 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 risk in light of other investments available at that time.

Index Linked Interest Notes and Dual Currency Notes

Each Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, each Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-Paid Notes

Each Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable Rate Notes with a multiplier or other leverage factor

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

Floating Rate Notes

Reference rates and indices, including interest rate benchmarks, such as the London Interbank Offered Rate ("**LIBOR**"), which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Notes referencing or linked to such Benchmark.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that (if so specified in the relevant Pricing Supplement) may be converted from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such conversion of the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing rates on its Notes.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification and waivers

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of the Conditions or any provisions of the Trust Deed. These provisions permit defined majorities to bind all the Noteholders including the Noteholders who did not attend and vote at the relevant meeting and the Noteholders who voted in a manner contrary to the majority.

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

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

In certain circumstances, including without limitation the giving of notice to the Issuer and the Guarantor pursuant to Condition 9 of the Conditions and the taking of any such steps and/or actions and/or the instituting of any such proceedings pursuant to Condition 12 of the Conditions, the Trustee may (at its sole discretion) request the Noteholders and Couponholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes any such steps and/or actions and/or institutes any such proceedings on behalf of the Noteholders and Couponholders . The Trustee shall not be obliged to take any such steps and/or actions and/or institutes any such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take any such steps and/or actions and/or institutes any such proceedings, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or the Conditions and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders and Couponholders to take such actions directly.

Change of law

The Conditions are based on English law or Singapore law (as the case may be) in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or changes to English law or Singapore law (as the case may be) or administrative practices after the date of issue of the relevant Notes.

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

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

Application of Singapore insolvency and related laws to PSAI and PSA Treasury may result in a material adverse effect on the Noteholders

There can be no assurance that PSAI and/or PSA Treasury will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of PSAI and/or PSA Treasury, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Noteholders.

Where PSAI or PSA Treasury is insolvent or close to insolvent and undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to PSAI or PSA Treasury (as the case may be). It may also be possible that if a company related to PSAI or PSA Treasury (as the case may be) proposes a creditor scheme of arrangement and obtains an order for a moratorium, PSAI or PSA Treasury (as the case may be) may also seek a moratorium even if PSAI or PSA Treasury (as the case may be) is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, with the consent of the judicial manager or with court permission. Accordingly, if for instance there is any need for the Trustee to bring an action against PSAI or PSA Treasury (as the case may be), the need to obtain court permission or the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders may be made subject to a binding scheme of arrangement where the majority in number representing 75 per cent. in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75 per cent. in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the "**IRD Act**") was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, the Notes. However, it may apply to related contracts that are not found to be directly connected with the Notes.

Singapore Taxation

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore, subject to the fulfilment of certain conditions more particularly described in the section "*Taxation – 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.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Trading and liquidity risk of the Notes

The Notes have not been and will not be registered under the Securities Act or the securities or blue sky laws of any state of the United States. Holders may not offer the Notes in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement. In addition, the Notes have not been registered under the securities laws of any other country. It is the holder's obligation to ensure that its offers and sales of the Notes in the United States and other countries comply with applicable securities laws. See "*Subscription and Sale*" and "*Transfer Restrictions*".

Any Notes to be issued will constitute a new class of the relevant Issuer's securities with no established market or prior trading history. While certain of the Notes issued under the Programme may be listed on the SGX-ST or such other or further stock exchange, there can be no assurance that a market for such Notes will be available or, if it is available, that it will provide investors with an avenue for liquidity for investment, nor can there be any assurance as to how long such Notes will be listed on the relevant stock exchange or the prices at which they may trade. In particular, the Notes could trade at prices that may be higher or lower than the initial offering price due to many factors, including prevailing interest rates, the PSA Group's operating results, the market for similar securities and general macroeconomic and market conditions in Singapore and elsewhere.

The Issuers have been advised by the Arrangers and certain Dealers that following an issuance of Notes they may make a market in such Notes. However, they are not obligated to do so and any market-making activities with respect to such Notes may be discontinued at any time without notice.

Exchange rate risks and exchange controls

Each Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risk

Noteholders may suffer unforeseen losses (both realised and unrealised) due to fluctuations in interest rates. In particular, fixed rate Notes may see their price fluctuate due to fluctuations in interest rates. There is no assurance that Noteholders will be able to sell their Notes at a price which is attractive to them, or be able to sell their Notes at all.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase 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.

Corporate disclosure and accounting standards in Singapore may differ from those in the United States

The PSA Group prepared its financial statements in accordance with SFRS(I) for the years ended 31 December 2018, 2019 and 2020, which differs in certain significant respects from U.S. GAAP. No reconciliation to U.S. GAAP of the financial statements or any other financial information contained in this Offering Memorandum has been undertaken.

USE OF PROCEEDS

The net proceeds from issuances of Notes under the Programme (after the deduction of fees, discounts, commissions and other expenses incurred by the relevant Issuer associated with the Programme) will be used for financing the general corporate funding requirements or investments of PSAI and/or the PSA Group (including financing new acquisitions and investments, refinancing of existing borrowings, working capital, capital expenditure and other general funding requirements), unless otherwise disclosed in the relevant Pricing Supplement.

CAPITALISATION

The table below sets forth PSAI's capitalisation and indebtedness as at 31 December 2020. The information set out in this table has been extracted from and should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Offering Memorandum.

	As at 31 December 2020
	Actual
	(S$' million)
Bank loans	2,769.1
Fixed and floating rate notes	3,500.1
Loans from joint venture	150.1
Interest-bearing loans from non-controlling shareholders of subsidiaries	9.6
Total debt	6,428.9
Issued and paid-up share capital	1,135.4
Reserves	11,230.8
Non-controlling interests	760.1
Total equity	13,126.2
Total capitalisation	19,555.1

SELECTED FINANCIAL DATA

The selected financial information below has been derived from, and should be read in conjunction with, PSAI's audited consolidated financial statements and the notes thereto which appear elsewhere in this Offering Memorandum. The audited consolidated financial statements of PSAI were audited by PSAI's independent auditors, KPMG LLP, whose reports on the audited financial statements for each of the years ended 31 December 2019 and 2020 are included herein.

PSA International Pte Ltd

Consolidated Statements of Financial Position

	As at 31 December		
	2018	**2019**	**2020**
		(S$' million)	
Assets			
Property, plant and equipment	5,396.5	5,869.5	5,931.4
Intangible assets	2,140.2	2,552.9	2,535.8
Right-of-use assets	–	938.9	998.1
Associates	3,418.8	3,130.0	3,205.0
Joint ventures	2,803.9	3,413.0	3,577.0
Financial assets	1,187.4	1,296.1	1,360.0
Other non-current assets	229.7	238.2	202.0
Deferred tax assets	12.6	38.0	39.3
Non-current assets	15,189.1	17,476.7	17,848.6
Inventories	44.9	43.2	45.8
Trade and other receivables	954.0	906.6	1,080.6
Cash and bank balances	4,054.4	3,188.1	4,397.0
Current assets	5,053.3	4,137.9	5,523.3
Total assets	20,242.4	21,614.5	23,371.9
Equity			
Share capital	1,135.4	1,135.4	1,135.4
Accumulated profits	11,415.3	11,676.1	12,342.8
Other reserves	(1,206.8)	(1,305.8)	(1,112.0)
Equity attributable to owner of PSAI	11,343.9	11,505.6	12,366.2
Non-controlling interests	701.6	713.7	760.1
Total equity	12,045.4	12,219.3	13,126.2
Liabilities			
Borrowings	4,586.8	4,133.2	4,204.3
Lease liabilities	–	990.4	1,062.5
Provisions	9.2	10.7	10.6
Other non-current obligations	239.2	341.3	451.1
Deferred tax liabilities	493.9	495.2	497.9
Non-current liabilities	5,329.2	5,970.8	6,226.4
Trade and other payables	1,393.0	1,294.3	1,464.5
Borrowings	1,254.5	1,828.1	2,224.5
Lease liabilities	–	54.9	58.2
Current tax payable	220.3	247.3	272.1
Current liabilities	2,867.8	3,424.5	4,019.3
Total liabilities	8,197.0	9,395.3	10,245.7
Total equity and liabilities	20,242.4	21,614.5	23,371.9

Consolidated Income Statements

	For the years ended 31 December		
	2018	2019	2020
		(S$' million)	
Revenue	4,086.2	4,077.5	4,178.9
Other income	212.3	275.9	224.3
Staff and related costs	(981.5)	(1,037.1)	(1,013.9)
Contract services	(531.1)	(542.6)	(551.9)
Running, repair and maintenance costs	(366.9)	(357.7)	(342.1)
Other operating expenses	(366.2)	(294.0)	(433.2)
Property taxes	(31.7)	(32.9)	(23.5)
Depreciation and amortisation	(663.7)	(719.5)	(748.0)
Service concession revenue	115.6	42.2	–
Service concession costs	(115.6)	(42.2)	–
	–	–	–
Profit from operations	1,357.4	1,369.4	1,290.6
Finance costs	(217.9)	(262.7)	(239.3)
Share of profit of associates, net of tax	148.1	197.9	187.2
Share of profit of joint ventures, net of tax	192.0	158.0	174.2
Profit before income tax	1,479.7	1,462.5	1,412.7
Income tax expense	(228.9)	(197.1)	(221.5)
Profit for the year	1,250.8	1,265.4	1,191.2
Non-controlling interests	(46.0)	(19.6)	(23.2)
Net profit attributable to owner of PSAI	1,204.7	1,245.8	1,168.1

The table below presents certain unaudited financial data relating to the PSA Group as at and for the years ended 31 December 2018, 2019 and 2020.

	As at and for the years ended 31 December		
	2018	**2019**	**2020**
EBITDA[1] (S$' million)	2,357.7	2,415.3	2,451.0
Total Debt/EBITDA[1][2] (times)	2.5	2.5	2.6
EBITDA/Finance Costs[1] (times)	10.8	9.2	10.2
Total Debt/Total Capitalisation[2][3]	32.7%	32.8%	32.9%

Notes:

(1) EBITDA represents profit for the year plus (i) income tax expense, (ii) finance costs, (iii) depreciation of property, plant and equipment, (iv) amortisation of intangible assets, (v) depreciation of right-of-use assets, (vi) impairment of assets and (vii) losses on disposal of property, plant and equipment, intangible assets, financial assets, associates, jointly-controlled entities and subsidiaries, minus (viii) gains on disposal of property, plant and equipment, intangible assets, financial assets, associates, jointly-controlled entities and subsidiaries and (ix) reversal of impairment of assets. EBITDA may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. The PSA Group has included EBITDA because it believes it is an indicative measure of its operating performance and is used by investors and analysts to evaluate companies in its industry. EBITDA should be considered in addition to, not as a substitute for, operating income, net income, cash flows from operating activities and other measures of financial performance and liquidity reported in accordance with SFRS(I) and SFRS.

(2) Total Debt is defined as the sum of bank loans, fixed and floating rate notes, finance lease liabilities (no longer valid from 2019), loans from joint venture and interest-bearing loans from non-controlling shareholders of subsidiaries.

(3) Total Capitalisation is defined as Total Debt plus total equity.

The table below presents certain unaudited operational data relating to the PSA Group for the years ended 31 December 2019, 2020 and 2021.

	For the years ended 31 December		
	2019	**2020**	**2021**
		(million TEUs)	
PSA Singapore	36.9	36.6	37.2
Rest of the World	48.3	50.1	54.3
Total volumes	85.2	86.6	91.5

INDUSTRY BACKGROUND AND TRENDS

The information in the section below has been derived, in part, from various public sources. This information has not been independently verified by PSAI, PSA Treasury, the PSA Group, the Arrangers, the Dealers, the Trustee, the Agents or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by any other source.

Global Trade

Global seaborne trade consists of four main segments:

- breakbulk general cargo, which is carried by conventional, roll-on/roll-off and multi-purpose shipping vessels;
- containerised general cargo, which is mainly carried by container vessels;
- dry bulk cargo, which is carried by standard and specialised bulk carriers; and
- liquid bulk cargo, which is carried by specialised vessels such as tankers.

The increase in, and globalisation of, world trade has led to rapid growth in the volume of sea cargo shipments, including containerised cargo shipments. According to Drewry Shipping Consultants Ltd ("**Drewry**"), global TEU container volumes handled at ports increased from approximately 551 million TEUs in 2010 to approximately 797 million TEUs in 2020[1].

Containerisation

The PSA Group's terminals business deals mainly with containerised trade. The containerisation of cargo increases the efficiency of its transportation by standardising the container for both seaborne transport as well as overland transportation, by rail and road, which is usually required at both ends of a cargo's sea journey.

The increased volumes of global trade in recent years have led to significant growth in the volume of sea cargo shipments in general. In addition to this, an increasing proportion of trade has been containerised. The combination of these two factors has led to increasing global container volumes. This growth in containerised cargo volume has resulted in shipping lines carrying increasing volumes of containerised cargo along global sea trade routes. The major global sea trade routes include the East-West route comprising the Trans-Pacific, Trans-Atlantic and Europe-Far East routes, which are used mainly by larger container vessels servicing designated ports along these routes. The Intra-Asian route is also experiencing growth due to the strong economic performance of the Asian economies.

Container trade volume is typically measured in TEUs and according to Drewry, global container trade volume increased from approximately 551 million TEUs in 2010 to approximately 797 million TEUs in 2020[1].

Trend Towards Bigger Ships

Increasing volumes of containerised cargoes and an ongoing drive by shipping lines for economies of scale have resulted in the construction of larger container vessels as well as ports being upgraded with facilities that are equipped to handle large vessels and volume, and the development of sophisticated shipping and port-related technology.

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[1] Source: Drewry Container Forecast 3Q2021 and 3Q2013.

The largest vessels in the world fleet increased in size from around 14,500 TEU in 2008 to over 24,000 TEU currently. The increasing size of ships on the East-West routes, in particular the Europe-Far East route, favours the bigger terminal operators with the facilities, know-how and equipment to be able to handle the demands of these larger vessels.

Container Terminal Industry Background

According to Drewry, the top 10 container port groups in 2020 by equity-based throughput are as set out in the table below:

Container Terminal Operator	**Throughput**	**Share of the World Container Port Throughput**
	(million TEUs)	*(%)*
PSAI	59.5	7.5
China Merchants Ports	47.1	5.9
China Cosco Shipping	46.2	5.8
APM Terminals	45.5	5.6
Hutchison Ports	44.7	6.0
DP World	44.0	4.0
Terminal Investment Limited ("**TIL**")	31.8	3.4
ICTSI	10.1	1.3
Evergreen	7.2	0.9
SSA Marine	7.9	0.8

Source: Drewry Annual Review for Global Terminal Operators 2021

Notes:

(1) APM Terminals figures adjusted to account for its stake in Global Ports Investments

(2) China Cosco Shipping figures adjusted to account for shareholdings in Beibu Gulf Port Co. Ltd, Qingdao Port International ("**QPI**") and Shanghai International Port Group ("**SIPG**")

(3) CMA CGM includes CMA Terminals (owned 100 per cent. by CMA CGM) and Terminal Link (owned 51 per cent. by CMA CGM/49 per cent. CMP), figures are adjusted to account for Yildirim's 24 per cent. shareholding in CMA CGM CMP figures adjusted to account for shareholding in Liaoning Port Group, MTL, Ningbo Zhoushan Port Co. Ltd, QPI, SIPG and Terminal Link

(4) Hutchison Ports figures include HPH Trust volumes

(5) PSAI and Hutchison Ports figures adjusted to account for PSA's 20 per cent. shareholding in HPH Trust

(6) TIL figures do not include MSC/affiliated companies

(7) Yildirim/Yilport and CMA CGM figures have been adjusted to account for Yildirim's 24 per cent. stake in CMA CGM (and hence indirect stake in Terminal Link)

According to Drewry, the top 10 global/international container terminal operators in 2020 by consolidated throughput are set out in the table below:

Container Terminal Operator	**Throughput**	**Share of the World Container Port Throughput**
	(million TEUs)	*(%)*
China Cosco Shipping	104.4	13.2
PSAI	86.6	10.9
APM Terminals	83.7	10.6
Hutchison Ports	80.6	10.2
DP World	69.5	8.8
Terminal Investment Ltd	55.3	7.0
China Merchants Ports	34.5	4.3
CMA CGM	25.9	3.3
SSA Marine	12.2	1.5
ICTSI	11.8	1.5

Source: Drewry Annual Review of Global Container Terminal Operators 2021

Notes:

(1) Figures exclude terminals where shareholding is 10 per cent. or less, stevedoring operations at common user terminals, barge/river terminals and terminals operated under management contracts

(2) Differences in the method of calculation account for the variation between Drewry's figures and the published results of the global terminal operators

(3) China Cosco Shipping figures includes Orient Overseas Container Line

(4) CMA CGM figure includes CMA Terminals and Terminal Link

(5) Hutchison figure includes HPH Trust volumes

(6) TIL figure does not include MSC/affiliated companies

Rise of Technology and Digitalisation

The rise of digital technologies has not left the shipping and ports industry untouched. Industrial revolution 4.0 technologies such as autonomous vehicles, connected platforms, augmented reality, virtual reality, the 'Internet of Things' and blockchain technology have the potential to revolutionise operations and processes in shipping. Shipping organisations also now need to cater to the increasingly sophisticated, digital demands of their customers.

Climate Change and Decarbonisation

The latest Intergovernmental Panel on Climate Change report published in August 2021 shows that emissions of greenhouse gases from human activities are responsible for approximately 1.1°C of warming since 1850-1900. It warns that unless there are immediate, rapid and large-scale reductions in greenhouse gas emissions, limiting global warming to close to 1.5°C or even 2°C will be beyond reach.

The world relies on a complex network of cargo transport systems to move goods across continents and borders. The growth of global trade has resulted in a corresponding rapid increase in the volume of goods being moved, and currently, the global logistics chain still relies primarily on fossil fuels for energy needs. The International Transport Forum estimates that international trade-related freight transport accounts for around 30 per cent. of all transport-related CO2 emissions from fuel combustion, and more than 7 per cent. of global emissions. Consumers, investors, and governments are increasingly demanding zero-carbon solutions from the private sector – and the maritime and supply chain sector will have to meet these demands.

PSA TREASURY

History and Business

PSA Treasury was incorporated as a private company limited by shares under the laws of the Republic of Singapore on 14 March 2016. PSA Treasury is a direct wholly-owned subsidiary of PSAI whose principal activities are investment holding and port operators.

The registered office of PSA Treasury is #03-00, PSA Horizons, 1 Harbour Drive, Singapore 117352.

Shareholding and Capital

As at the date of this Offering Memorandum, the issued and fully paid up share capital of PSA Treasury is S$100,000, comprising 100,000 ordinary shares.

Directors

The directors of PSA Treasury are:

(1) Tan Chong Meng;

(2) Lim Pek Suat; and

(3) Goh Mia Hock.

PSAI AND THE PSA GROUP

Introduction

The PSA Group is a leading global port group and a trusted partner to cargo stakeholders around the world. The PSA Group's portfolio comprises deep-sea, rail and inland terminals, as well as related businesses in distriparks, warehouses and marine services. In addition, the PSA Group has business entities providing trade facilitation, digital and IT services. The PSA Group's main business is in the provision of integrated container terminal services and it has extended its business to provide multimodal and digital platform solutions to cargo owners and service providers. PSAI, through its subsidiaries, joint ventures and an investee company, has a network of over 60 terminals across 55 locations in 26 countries worldwide. In 2021, the PSA Group handled 91.5 million TEUs at its port projects around the world. PSAI is the holding company of the PSA Group, which comprises PSAI and its subsidiaries and its interests in associates and jointly-controlled entities.

The PSA Group also provides marine services through PSA Marine, a wholly-owned subsidiary of PSAI.

For the year ended 31 December 2020, the PSA Group's consolidated revenue and net profit attributable to owner of PSAI amounted to S$4,178.9 million and S$1,191.2 million respectively and, as at 31 December 2020, the PSA Group had total consolidated assets of S$23,371.9 million.

Historical Background

The PSA Group is the successor company to the commercial functions of the former 'Port of Singapore Authority'. The Port of Singapore Authority was formed in April 1964 as a statutory board to take over the functions, assets and liabilities of its predecessor, the Singapore Harbour Board.

In 1972, Singapore became the first country in Southeast Asia to have purpose-built container terminal facilities when the Port of Singapore Authority established its first container berth at Tanjong Pagar. Through the 1970s and into the 1980s, the Port of Singapore Authority developed its hub-and-spoke transhipment capabilities and created an extensive network of main-haul and feeder shipping connections. This enabled Singapore to grow into a major transhipment hub in Asia for containerised cargo.

In 1996, the Port of Singapore Authority embarked on its first overseas venture in China through its investment in Dalian Container Terminal. In 1997, the Government decided to separate the regulatory and operator functions in the Port of Singapore Authority. It set up a new statutory board, the MPA, to be the port regulator. PSA Corporation Limited was established as a public limited company on 29 September 1997 as the successor company to the Port of Singapore Authority to manage and operate its terminals and related businesses.

On 1 December 2003, PSAI became the holding company of the PSA Group under a scheme of arrangement. PSA Corporation Limited and PSA Marine became wholly-owned subsidiaries of PSAI. PSA Corporation Limited now oversees the PSA Group's businesses at PSA Singapore.

Since 1997, the PSA Group has expanded into a global port operator with further ventures in Belgium, Argentina, Canada, China, Colombia, India, Indonesia, Italy, Japan, Panama, Poland, Portugal, Saudi Arabia, South Korea, Thailand, Turkey, United States and Vietnam. Its second flagship terminal is located in Belgium, following the acquisition of an 80 per cent. stake in Hesse-Noord Natie N.V. (now known as PSA Antwerp N.V.) in 2002, a well-established port operator in the Port of Antwerp, and acquiring the remaining 20 per cent. in 2003. In 2005, the PSA Group acquired an effective 20 per cent. stake in Hongkong International Terminals ("**HIT**") and an effective 10 per cent. stake in COSCO-HIT Terminals, and in 2006, it acquired a 20 per cent. effective equity stake in each of Hutchison Port Holdings Limited and Hutchison Ports Investments S.à.r.l.. In 2011, Hutchison Port Holdings Limited and the PSA Group completed the divestment of its deep water container business in Hong Kong (including the interest in HIT and COSCO-HIT terminals) and the Guangdong province into Hutchison Port Holdings Trust, which is listed on the Main Board of the SGX-ST.

Expanding its influence beyond coastal ports in order to enhance its multi-modal logistics offerings, the PSA Group in 2016 invested in CUIRC, China's largest inland railway container terminal network. In 2018, the PSA Group also acquired a majority stake in Ashcroft Terminal, an inland terminal facility in Canada. More recently, in 2021, the PSA Group acquired a majority stake in Indian container freight station (CFS) operator Ameya. Ameya handles cargoes from key cargo centres in Maharashtra and Gujarat, providing integrated cargo solutions to cargo owners together with the PSA Group's seaports in India.

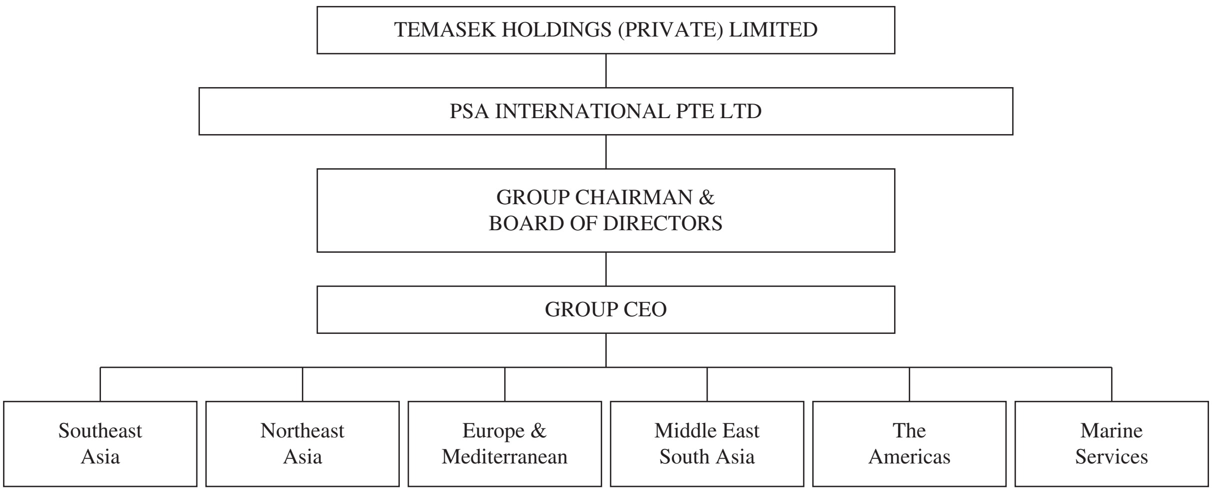
In line with the PSA Group's efforts to create new value differentiators in the global supply chain enabled by technology, PSAI became the majority shareholder of CrimsonLogic in 2018, a provider of digital solutions, products and services in the areas of trade, legal and digital government. In April 2018, the PSA Group developed and launched CALISTA®, an open global supply chain platform that brings together key physical, compliance and financial activities of cargo logistics on a digital eco-system. CALISTA® is developed by GeTS, a wholly-owned subsidiary of CrimsonLogic. In 2020, PSA Cargo Solutions entered into a strategic partnership with One Network Enterprise, a software supplier, to expand upon PSA's global terminal and logistics operations as well as to enhance the capabilities of PSA's lead logistics provider service for global third-party logistics customers.

PSAI is wholly-owned by Temasek, an investment company headquartered in Singapore with a diversified investment portfolio. Temasek is in turn wholly-owned by the Government through the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act 1959 of Singapore.

Business Overview

Business Organisation of the PSA Group

The following chart illustrates the organisation of the PSA Group's principal business activities:



The PSA Group's terminal operations and cargo solutions business are organised into five geographical regions, namely Southeast Asia, Northeast Asia, Europe & Mediterranean, Middle East South Asia and The Americas, each led by a regional head responsible for its business performance. Each regional head reports to the Group Chief Executive Officer ("**CEO**"), who is assisted by senior executives at the PSA Group's corporate centre.

Principal Businesses

The PSA Group is a leading global port group and a trusted partner to cargo stakeholders around the world.

The PSA Group's portfolio comprises deep-sea, rail and inland terminals, as well as related businesses in distriparks, warehouses and marine services. In addition, the PSA Group has business entities providing trade facilitation, digital and IT services. The PSA Group's main business is in the provision of integrated container terminal services and it has extended its business to provide multimodal and digital platform solutions to cargo owners and service providers. PSAI, through its subsidiaries, joint ventures and an investee company, has a network of over 60 terminals across 55 locations in 26 countries worldwide. In 2021, the PSA Group handled 91.5 million TEUs at its port projects around the world. The PSA Group's volume increased by 5.6 per cent. over 2020, with PSA Singapore contributing a record of 37.2 million TEUs (an increase of 1.6 per cent.) and PSA terminals outside Singapore handling 54.3 million TEUs (an increase of 8.4 per cent.). PSAI is the holding company of the PSA Group, which comprises PSAI and its subsidiaries and its interests in associates and jointly-controlled entities.

The PSA Group also provides marine services through PSA Marine, a wholly-owned subsidiary of PSAI.

The PSA Group actively collaborates with its customers and partners to deliver world-class port services, develop innovative cargo solutions and co-create an 'Internet of Logistics'.

The PSA Group's consolidated revenue by principal business for each of the periods indicated is set out below:

	Year Ended 31 December					
	2018		2019		2020	
	Percentage of Total *(S$' million (except percentages))*					
Port business	3,757.3	92.0%	3,689.5	90.5%	3,760.9	90.0%
Marine business	288.2	7.0%	280.0	6.8%	311.8	7.5%
Others	40.7	1.0%	107.9	2.6%	106.2	2.5%
Consolidated revenue	4,086.2	100%	4,077.5	100%	4,178.9	100%

Strategy

The PSA Group is a trusted partner to cargo stakeholders around the world. The PSA Group actively collaborates with its customers and partners to deliver world-class port services, develop innovative cargo solutions and co-create an 'Internet of Logistics'.

The PSA Group's multi-pronged strategy is described below.

Continue to Strengthen its Key Transhipment Hub in Singapore

PSA Singapore is the world's largest container transhipment hub, handling 37.2 million TEUs in 2021 and anchoring Singapore's position as the world's second busiest container port last year. Singapore is strategically located across major trade lines, providing shippers with excellent connectivity to 600 ports around the world. About 85 per cent. of containers handled by PSA Singapore are bound for other regional and international ports. In 2020, PSA Singapore handled more than 15 per cent of global container transhipment volumes. PSA Singapore is equipped with facilities and equipment which enable it to handle the largest vessels sailing on the world's oceans today – many of which can carry over 20,000 TEUs of containers. Its scale, scope of resources and reputation for operational excellence have enabled it to respond nimbly to the constant changes in the shipping line industry and the resulting re-alignment of shipping services. Given the strategic location of Singapore, PSA Singapore benefits from being at the nexus of major trade routes, enabling it to capture a share of the east-west, north-south and intra-regional shipping trade. PSA Singapore will remain a key pillar of the PSA Group.

Initiatives to strengthen PSA Singapore's competitive position include:

(i) building on PSA Singapore' strong connectivity and seamless transhipment processes by offering a range of frequent daily sailings, which in turn translates into faster time to market for shippers. The PSA Group believes that this is a competitive strength of PSA Singapore relative to other ports in the region;

(ii) capitalising on the natural deep-water characteristics of PSA Singapore's location by consolidating its leading position to capture an increasing share of large container vessels that ply the major trade routes through further expansion of its berth and crane facilities. PSA Singapore has continually invested in its class-leading infrastructure and the latest port and climate technology at its terminals. Functioning as one integrated facility, its City Terminals and Pasir Panjang Terminals have a total designed capacity of 50 million TEUs;

(iii) enhancing its ability to provide customised services to its customers and to handle large volumes of containers on behalf of its shipping line customers including managing the operational complexities of transhipment and connections among the shipping alliances. PSA Singapore is able to provide customers with an online, real-time interface with shipping agencies, freight forwarders, hauliers and trade and customs agencies with its proprietary PORTNET® system. Together with its Computer Integrated Terminal Operations System (CITOS®), PSA Singapore handles more than 100,000 TEUs daily. By collaborating with ecosystem partners, PSA Singapore has also co-developed digital platforms to extend the port's digital connectivity to the wider supply chain community for greater resilience and efficiency. This operational capability, together with its strong connectivity and Singapore's strategic location, helps customers to reduce overall shipping times and benefit from the advantages of scale offered by PSA Singapore; and

(iv) working closely with the Government and MPA to actively promote Singapore as a maritime hub and develop Tuas Port as part of an integrated supply chain ecosystem. Tuas Port will be co-located alongside an industrial hinterland, which will allow the port to be both physically and digitally integrated with the wider supply chain network. Phase 1 of Tuas Port will begin operations in end-2021. When completed, Tuas Port is expected to be the largest fully automated container terminal in the world, with an annual handling capacity of 65 million TEUs, and consolidate PSA Singapore's container terminal operations.

Continue to Deepen and Diversify its Global Presence

The PSA Group is a global terminal operator with a network of over 60 terminals across 55 locations in 26 countries worldwide, including related businesses in distriparks, warehouses and marine services. It has a diversified geographic reach, serving the growing needs of its customers. With a wide network of ports in key locations, spanning important global cargo gateways, customers are able to benefit from high levels of efficiency, reliable service and access to complementary cargo solutions. The PSA Group has been able to expand by leveraging its expertise in the efficient management of port and port-related activities thereby diversifying to reduce earnings concentration.

The PSA Group, as a global terminal operator, is supported by its strong financial position. The PSA Group's cash and bank balances were S$4.05 billion, S$3.19 billion and S$4.40 billion in 2018, 2019 and 2020 respectively, providing a significant source of financial flexibility for its expansion.

The PSA Group has embarked on future-proofing projects that will ensure that its portfolio terminals continue to be able to handle mega vessels and shipping alliance, with optimised capacity and connections to facilitate the smooth functioning of global supply chains and to contribute to sustainable growth and development in their regions.

The PSA Group continually evaluates new overseas port ventures in accordance with two important criteria: (a) growth potential in container volumes and (b) scope for productivity and efficiency improvements. The PSA Group is open to opportunities to build successful partnerships and/or secure management arrangements with strategic partners to expand its global operations in every region. In 2021, the PSA Group's operations outside Singapore increased by 8.4 per cent. over 2020, handling 54.3 million TEUs.

In response to the evolving and increasingly complex demands of the global supply chain, the PSA Group has also invested and intends to continue to invest in growing its hinterland coverage and port adjacencies assets. In China, the PSA Group invested in CUIRC in 2016, which operates China's largest inland railway container terminal network. The PSA Group also continues to participate in the expanding scope and progressive build up of the International Land-Sea Trade Corridor ("**ILSTC**") between Chongqing to Beibuwan and onwards to ASEAN and beyond. In 2018, the PSA Group acquired a majority stake in Ashcroft Terminal in Western Canada, an important entry point to the hinterland supply chain servicing the North American market. More recently, in 2021, the PSA Group acquired a majority stake in Ameya. Ameya handles cargoes from key cargo centres in Maharashtra and Gujarat, providing integrated cargo solutions to cargo owners together with the PSA Group's seaports in India.

Building Win-Win Partnerships to Co-Create New Value

Building successful partnerships with cargo stakeholders is a key approach in achieving the PSA Group's strategy.

The PSA Group places strong emphasis on delivering high standards of service, nurturing excellent customer relations and collaborating with ecosystem stakeholders. The PSA Group has continuously developed and upgraded its terminal infrastructure, pioneered new systems and processes, as well as streamlined operations to meet the rapid growth in its terminals business. It works closely with the shipping lines, using its collective skills, knowledge and experience to anticipate its customers' needs and deliver customised services according to the shipping line customers' individual requirements.

As part of its aim to provide value-added services to its customers, the PSA Group has engaged in strategic partnerships and joint ventures with shipping lines, governments, port authorities, and multi-national corporations to develop, operate and own port terminal facilities globally. Examples of these partners include the Panama Canal Authority, the Busan Port Authority, the Tianjin Port Group, and the Italy Ministry for Infrastructure and Transport. Such joint ventures and partnerships allow the PSA Group's shipping line customers to secure assured capacity to accommodate growing volumes at key hubs, while ensuring sustained volume growth in the future for the PSA Group.

In Singapore, the PSA Group has established joint venture terminals with CMA CGM, COSCO, HMM, MSC, ONE and PIL in Singapore between 2003 and 2020. The PSA Group also entered into a joint venture with NYK and K-Line to establish Singapore's first dedicated car terminal, Asia Automobile Terminal (Singapore) in 2008. In Belgium, the PSA Group entered into a joint venture with MSC in 2003 to jointly manage MPET in Antwerp, one of MSC's major European hubs. Elsewhere around the world, the PSA Group established NPCT1 in 2014, with PT. Pelabuhan Indonesia II ("**Persero**"), Mitsui and NYK to jointly participate in the construction and operation of a new container terminal at Tanjung Priok Port, Jakarta, Indonesia. In 2015, the PSA Group established BPCT by signing a joint venture agreement with BPG and PIL to operate a new container terminal in Qinzhou City (Guangxi Province, China). The PSA Group also gained its first foothold in Eastern Europe by partnering the Polish Development Fund and the IFM Global Infrastructure Fund to jointly acquire DCT Gdansk in 2019. In 2020, SGP, a partnership between PSA and Public Investment Fund, secured a new Build-Operate-Transfer Agreement that established SGP as the sole container terminal operator of Dammam Port in Saudi Arabia. In March 2021, the PSA Group and German multimodal logistics company duisport formed a joint venture company, MIPL to invest in multimodal logistics facilities in Asia, enhancing connectivity and trade flows between Europe and Asia. Through MIPL, duisport has taken a stake in the PSA Group's current investments in China's multimodal logistics facilities in Chongqing and CUIRC.

In order to harness the potential of digital technologies and the energy of the start-up ecosystem, the PSA Group launched its external innovation and corporate venture capital arm, PSA unboXed in 2016. PSA unboXed focuses on seeking solutions related to ports, maritime, logistics and containerised cargo flow. In 2018, PSA unboXed also signed a memorandum of understanding with CMA-CGM Ze Box to collaborate and co-create solutions to address industry challenges.

Orchestrating Supply Chain Solutions, Leveraging on the Group's Assets

The PSA Group established a PSA Cargo Solutions unit in 2018 to seek out partnerships and common ground with stakeholders to orchestrate supply chain solutions, leveraging on the PSA Group's assets and co-creating an 'Internet of Logistics'. The PSA Cargo Solutions unit offers complementary cargo solutions to benefit cargo owners and service providers with the ability to better manage their cargo flows for greater efficiency. PSA Cargo Solutions seeks to (i) create value in key markets including chemicals, advanced manufacturing and e-commerce; (ii) offer specialised services for shippers to get their goods just-in-time; and (iii) provide multimodal solutions in different locations for just-in-case assurance. Multimodal solutions, cargo flow management and supply chain solutioning are backed by the PSA Group's global network of physical assets – including inland container depots, cold stores and reefer services – as well as proprietary systems and software.

In 2018, the PSA Group acquired the majority share of CrimsonLogic, with the aim of building on its integrated trade facilitation platforms. CrimsonLogic provides end-to-end business and citizen centric eGovernment solutions, products and services to streamline customs, trade facilitation, legal and IT security. In collaboration with CrimsonLogic's wholly-owned subsidiary GeTS, the PSA Group also developed and launched CALISTA®, a global supply chain platform that brings together key physical, compliance and financial activities of cargo logistics on a digital eco-system.

In June 2020, PSA Cargo Solutions entered into a strategic partnership with One Network Enterprise, a software supplier, to expand upon the PSA Group's global terminal and logistics operations as well as to enhance the capabilities of the PSA Group's lead logistics provider service for global third-party logistics customers. This integrated operating platform for customers and trading partners – PSA CS Control Tower – provides end-to-end control and visibility of global supply chains.

On 24 November 2021, the PSA Group signed an agreement to acquire 100 per cent. of the shares of BDP, a leading provider of global integrated supply chain, transportation and logistics solutions. The transaction is subject to formal approvals by the relevant authorities and other customary closing conditions, and the process is expected to take several months.

The PSA Group believes it continues to be well-positioned to capitalise on the growth opportunities for cargo movements arising from strong global trade, the trend towards increasing use of regional and international transhipment hubs, the increased demand for supply chain resilience and the application of digital technologies.

Enabling a Better World with Sustainable Port and Supply Chain Solutions

The PSA Group envisions a future in which smarter, more sustainable transport and logistics solutions pave the way for a healthier planet and more resilient society for generations to come.

In 2020, the PSA Group developed its sustainability strategy framework to clearly articulate its sustainability ambitions and priorities. The framework illustrates how the PSA Group seeks to create sustainable value and be a steward of responsible business. Three key areas – Taking Climate Action, Transforming Supply Chains and Nurturing a Future-Ready Workforce – were defined. These are areas which the PSA Group believes would differentiate itself as it continues to build on its strength and develop sustainably.

The PSA Group published its first Sustainability Report in August 2021 to reflect its commitment to drive accountability and continuous improvement in its sustainability performance as a business.

The PSA Group's Sustainability Strategy Framework:

	Taking Climate Action		Transforming Supply Chain		Nurturing a Future-Ready Workforce
Its Priorities	Create Sustainable Value				
Its Foundation	Stewarding Responsible Business				
	Ensuring Responsible Operations	Protecting Its People	Acting With Integrity	Supporting Its Communities	Keeping Its Ports Safe and Secure

To implement its sustainable strategy and achieve its goals, the PSA Group has set out targets and commitments to drive performance and manage its priority material sustainability topics. In taking climate action, the PSA Group's targets include reducing absolute Scope 1 and 2 carbon emissions by 50 per cent. by 2030 and 75 per cent. by 2040, against a 2019 baseline year. It also aims to achieve net zero carbon emissions by 2050 and for 90 per cent. of its Rubber Tyred Gantry Cranes to be electric or hybrid by 2030.

In transforming supply chains, the PSA Group targets to implement ten supply chain projects by 2024 that provide sustainable logistics and transport solutions impacting at least 3,000 TEUs of cargo volume per project. It also commits to invest at least S$100 million by 2025 in research and development projects to achieve more efficient and sustainable operations.

In nurturing a future ready workforce, the PSA Group targets to achieve at least 75 per cent. participation in the global Employee Opinion Poll and zero significant incidents. Stewarding responsible business targets and commitments include implementing Sustainable Concrete for 50 per cent. of new civil infrastructure construction projects by 2023, adopting cyber security best practices and conducting its business with highest standards of ethics and integrity with zero tolerance stand towards fraud.

Portfolio of Businesses

Terminals Business

The PSA Group has a network of over 60 terminals across 55 locations in 26 countries worldwide. In 2021, the PSA Group handled 91.5 million TEUs at its port projects around the world. The PSA Group's volume increased by 5.6 per cent. over 2020, with PSA Singapore contributing a record of 37.2 million TEUs (an increase of 1.6 per cent.) and PSA terminals outside Singapore handling 54.3 million TEUs (an increase of 8.4 per cent.).

An overview of the PSA Group's ports and terminals business by geography as at October 2021 is set out below:

	Coastal projects	**Inland Container Depots/Container Freight Stations/ Warehouses**	**Marine Projects**
Southeast Asia	Singapore Laem Chabang, Thailand Bangkok, Thailand Vung Tau, Vietnam Jakarta, Indonesia	Bangkok, Thailand Laem Chabang, Thailand Bac Ninh, Vietnam	Johor, Malaysia

	Coastal projects	Inland Container Depots/Container Freight Stations/ Warehouses	Marine Projects
Northeast Asia	Dalian, China Fuzhou, China Guangzhou, China Tianjin, China Lianyungang, China Qinzhou, China Incheon, South Korea Busan, South Korea Kitakyushu, Japan	Wuhan, China* Xi'an, China* Qingdao, China* Ningbo, China* Dalian, China* Kunming, China* Zhengzhou, China* Tianjin, China* Chongqing, China* Chengdu, China* Urumqi, China* Qinzhou, China* Fuzhou, China*	Fuzhou, China Hong Kong, China Qingzhou, China Taichung, China
Middle East South Asia . . .	Tuticorin, India Chennai, India Navi Mumbai, India Kolkata, India Dammam, Saudi Arabia	Navi Mumbai, India Mundra, India	Chattogram, Bangladesh Hyderabad, India Sur, Oman
Europe, Mediterranean & The Americas.	Antwerp, Belgium Zeebrugge, Belgium Genoa, Italy Venice, Italy Sines, Portugal Mersin, Turkey Gdansk, Poland Buenos Aires, Argentina Panama City, Panama Buenaventura, Colombia Halifax, Canada Philadelphia, United States	Antwerp, Belgium Zeebrugge, Belgium British Columbia, Canada Ashcroft, Canada Genoa, Italy Venice, Italy Gdansk, Poland Mersin, Turkey Buenos Aires, Argentina Montevideo, Uruguay Barueri, Brazil Itajai, Brazil Buenaventura, Colombia Philadelphia, United States	Lima, Peru Talara, Peru Essex, United Kingdom

* *Held through the PSA Group's investment in CUIRC*

Description of Terminals Business

Singapore

One of the PSA Group's two flagship terminals, PSA Singapore operates the world's largest container transhipment hub, handling 37.2 million TEUs in 2021 and anchoring Singapore's position as the world's second largest container port.

PSA Singapore provides shippers with excellent connectivity to 600 ports in the world and its services are primarily geared towards the transhipment of containers with about 85 per cent. of containers handled by PSA Singapore bound for other regional and international ports. In 2020, PSA Singapore handled more than 15 per cent. of global container transhipment volumes.

PSA Singapore has nine terminals – one of each located in Tanjong Pagar, Keppel, Brani and six located at Pasir Panjang in Singapore – which work together as one seamless facility. PSA Singapore is equipped with water depth of up to 18 metres and super post-Panamax quay cranes which enable it to handle the largest vessels sailing on the world's oceans today, which can carry over 20,000 TEUs of containers. PSA

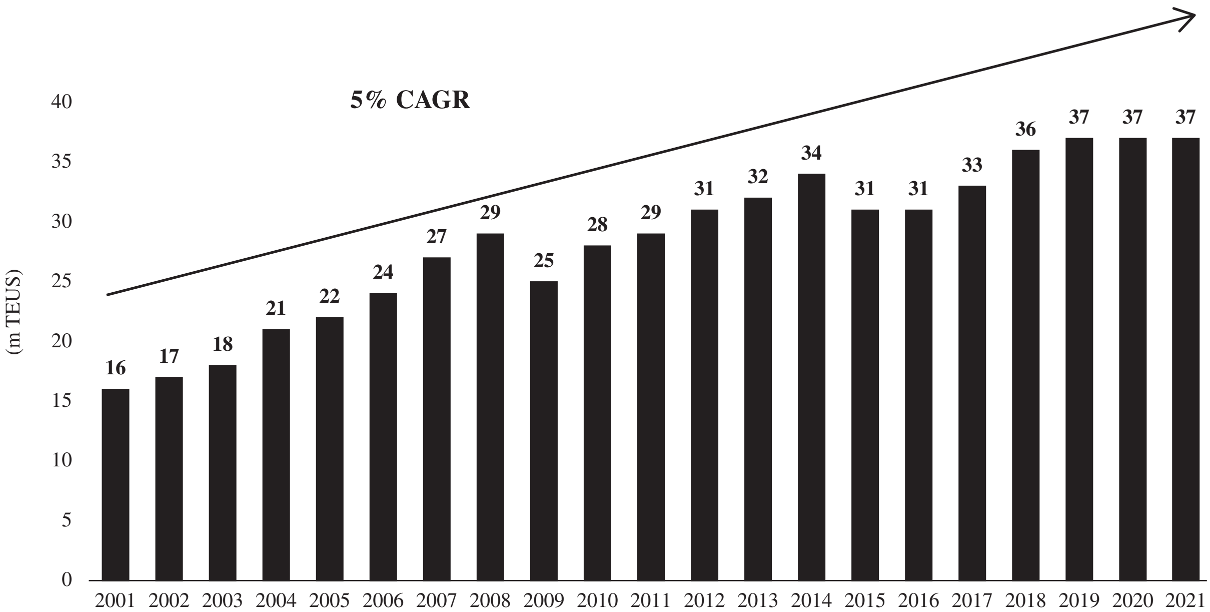
Singapore has invested S$3.5 billion to develop class-leading infrastructure and the latest port technology at Pasir Panjang Terminals (“**PPT**”) 4 – 6 to handle the increasing volumes and growing mega vessels from shipping alliances. PPT 4 – 6 were completed in 2018, expanding the PSA Group’s annual handling capacity in Singapore to 50 million TEUs.

PSA Singapore is also working closely with the Government and MPA to actively promote Singapore as a maritime hub and develop Tuas Port as part of an integrated supply chain ecosystem. When completed, Tuas Port will be co-located alongside an industrial hinterland, which will allow the port to be both physically and digitally integrated with the wider supply chain network. Phase 1 of Tuas Port will begin operations in end-2021. When completed, Tuas Port is expected to be a fully automated container terminal with an annual handling capacity of 65 million TEUs, and consolidate PSA Singapore’s container terminal operations.

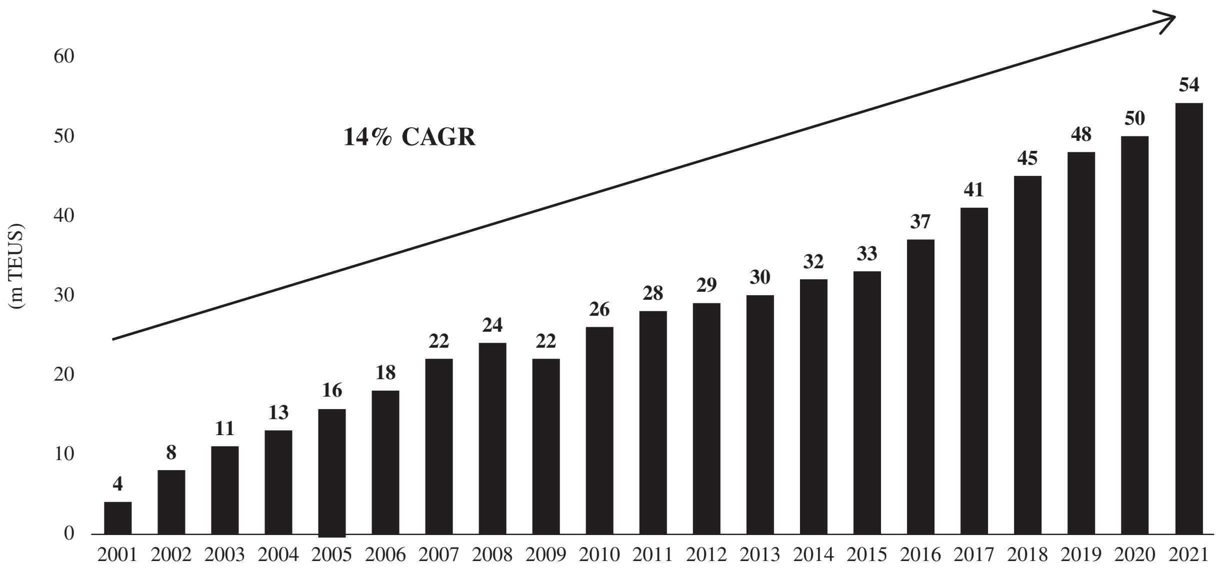
With more than 50 years of operating experience, PSA Singapore is known for its high productivity and ability to help turn ships around quickly in Singapore, reducing their port stay. It has also extended its digital connectivity and complementary cargo solutions to offer supply chain customers greater resilience and agility.

PSA Group has successfully expanded its international operations, exemplified by its track record of increased throughput contribution from overseas operations over the years. The table below sets out the total volume of containers handled by the PSA Group’s container terminals in Singapore and overseas for each of the years shown.

Singapore



Overseas



Belgium

Besides Singapore, the PSA Group's other flagship project is located in Antwerp, Belgium.

PSA Antwerp is the container gateway to Europe with excellent transhipment and hinterland connections for rail, road, barge and short-sea vessels. The company operates two fully-owned container terminals in Antwerp: Noordzee Terminal is equipped with three container berths, a 1,265-metre quay length and has a designed capacity of 2.6 million TEUs. Europa Terminal has three container berths, a 1,180-metre quay length and a designed capacity of 1.8 million TEUs. The Europa and Noordzee Terminals have been upgraded to enable mega-vessel handing. Further expansion and upgrading works are in the pipeline.

PSA Antwerp also operates MPET, a joint venture with TIL, MSC's container terminal arm. Located on the left bank of Scheide River, MPET is the largest container terminal in Europe with a designed capacity of 9 million TEUs per annum.

PSA Zeebrugge ("**PSAZ**") – another of the PSA Group's terminals in Belgium – operates in the port of Zeebrugge. The port serves both local and overseas markets and acts as a hub for many industries. An ultra-modern multi-purpose terminal, PSAZ is highly automated and includes a 100,000-square metre covered distripark.

Argentina

The PSA Group's Exolgan Container Terminal is situated in the Port of Buenos Aires. The largest container facility in Argentina, it provides a comprehensive suite of services to shippers and shipping lines, including complementary logistics and warehousing businesses. The terminal has a designed capacity of 1.1 million TEUs.

Canada

Ashcroft Terminal is an inland port facility located approximately 300 kilometres east of the Port of Vancouver. It is the only major privately-owned industrial property in Canada where both Class 1 railroad lines run through, transporting cargoes across Canadian and North American markets. Ashcroft Terminal also represents PSA's first foray into Canada and offers an entry point into the hinterland supply chain for the North American market. In 2021, one of Canada's largest retailers, Canadian Tire Corporation, acquired a 25 per cent equity interest in Ashcroft Terminal.

The PSA Group invested in PSA Halifax in 2019. PSA Halifax is Canada's only east coast gateway terminal able to accommodate the ultra large container vessels now calling on the North America eastern seaboard. Halifax is the first port of call on the great circle route crossing the Atlantic from North Europe and the Suez Canal to Canada and USA markets. The main berth is 800m in length, providing two deepwater berths, or three berths suited for regional and short-sea services. With five super post-panamax quay cranes, up to 24-row outreach and 51 metres lift height, PSA Halifax is the only terminal in the region capable of handling vessels of 16,000 TEU.

China

The PSA Group's investment in Dalian, China also represented the PSA Group's first port investment outside of Singapore. Dalian Container Terminal is a natural deepwater port favourably located at the entrance of Bohai Rim, serving as the gateway to Northeast China and hub port to the Bohai Rim. The terminal's designed capacity is currently 6.1 million TEUs and with upgrading, is expected to increase to 8.4 million TEUs.

In Tianjin, since 2007, the PSA Group has teamed up with Tianjin Port Group and other partners to form the Tianjin Port Alliance International Container Terminal ("**TACT**") and Tianjin Port Pacific International Container Terminal ("**TPCT**"). The port of Tianjin is a major gateway in North China and ranks sixth among the top ten ports in China (excluding Hong Kong). The designed capacity of TACT is 1.85 million TEUs, while the designed capacity of TPCT is 4.0 million TEUs.

The PSA Group operates three container terminals in Fuzhou which are collectively managed under joint venture company Fuzhou International Container Terminals Co., Ltd. The terminals are: Fuzhou Qingzhou Container Terminal ("**FQCT**"), Fuzhou International Container Terminal ("**FICT**") and Fujian Jiangyin International Container Terminal ("**FJCT**"); FICT and FJCT are located side-by-side. The terminals are strategically located for cross-Straits and intra-Asia trades. The designed capacity of FQCT is 680,000 TEUs, while the combined designed capacity of FICT and FJCT is 3.0 million TEUs. In Fuzhou, PSA has a comprehensive ecosystem of businesses comprising the container terminals, Jiangyin Railway Depot Terminal, PSA Fujian Supply Chain Co. ("**PFS**") and Fujian PSA Portnet ("**FPPN**").

The PSA Group's Guangzhou Container Terminal ("**GCT**") offers fully integrated container terminal operations at its four container berths at Guangzhou Huangpu Xingang. The Pearl River Delta region is one of the fastest-growing in China and the terminal benefits from its location in that region. GCT has a designed capacity of 1.3 million TEUs.

The PSA Group's investment in Lianyungang-PSA Container Terminal ("**LPCT**") in 2014 was the Group's first major foray into the Yangtze River Delta region, one of the most important economic regions in China. LPCT has a designed capacity of 2.8 million TEUs.

Over in Qinzhou City, the PSA Group's Beibu Gulf-PSA International Container Terminal ("**BPCT**") supports container trade growth in the southwestern China region and serves the vast hinterlands of Guangxi, Yunnan, Guizhou, Sichuan, Chongqing and Hunan. It also supports China's Belt and Road Initiative as an international corridor linking to the ASEAN region, and functions as a vital node of connectivity between sea and rail. BPCT has a designed capacity of 4.5 million TEUs.

The PSA Group invested in CUIRC, a Sino-Foreign joint venture with a mandate from the government of the People's Republic of China to develop and operate railway container terminals across the country. The inland terminals are strategically located at regional economic centres to form the core of China's intermodal transportation network. Headquartered in Beijing, CUIRC currently has 12 terminals in operation – in Kunming, Chongqing, Chengdu, Zhengzhou, Wuhan, Xi'an, Dalian, Qingdao, Ningbo, Tianjin, Urumqi and Qinzhou.

In March 2021, the PSA Group and German multimodal logistics company duisport formed a joint venture company, MIPL to invest in multimodal logistics facilities in Asia, enhancing connectivity and trade flows between Europe and Asia. Through MIPL, duisport has taken a stake in the PSA Group's current investments in China's multimodal logistics facilities in Chongqing and CUIRC.

Colombia

The Sociedad Puerto Industrial Aguadulce S.A. ("**SPIA**") terminal is located in the port city of Buenaventura, Columbia's sole gateway to the Pacific, and the first port of call for southbound shipping services to and from the West Coast of South America. By land, SPIA has a strategic connectivity advantage relative to the other terminals inside the City of Buenaventura. Its commissioned access road not only provides dedicated and direct land access to the improved Bogotá-Buenaventura highway, but also bypasses the increasingly congested city-centre. SPIA currently has a designed capacity of 600,000 TEU.

India

In 1998, the PSA Group made its first investment in India with Tuticorin Container Terminal ("**PSA SICAL**"). Located in the south eastern tip of India in the state of Tamil Nadu, PSA SICAL is well-linked to the major hinterland industrial clusters and cities such as Bangalore, Chennai, Cochin, Coimbatore, Madurai and Tirupur by state and national highways, and rail connections. TCT has a designed annual capacity of 450,000 TEUs.

Further north, the PSA Group's Chennai International Terminals ("**PSA Chennai**") is situated in Chennai Port – India's second-largest container port – and supports the high-growth region and its hinterland. CIT has a designed capacity of 1.5 million TEUs.

Bharat Kolkata Container Terminals ("**PSA Kolkata**") is located in the riverine Kolkata Port, a gateway to the hinterland comprising eastern and northeastern India as well as two land-locked neighbouring countries – Nepal and Bhutan. BKCT has a designed capacity of 850,000 TEUs.

PSA's Bharat Mumbai Container Terminals ("**PSA Mumbai**") is located in Jawaharlal Nehru Port, India's largest and premier container gateway. Well-connected by rail and highways to key markets in Maharashtra, Gujarat, and the National Capital Region, the terminal serves the important industrial and manufacturing centres and cities in Northwest India, as well as the country's largest hinterland with a population in excess of 400 million. PSA Mumbai is also equipped with double stack train infrastructure to support India's Dedicated Freight Corridor that will allow trains to carry more and higher loads at higher freight speed. PSA Mumbai currently has a designed capacity of 2.4 million TEUs in Phase 1, which is expected to increase to 4.8 million TEUs when the terminal is fully developed.

Ameya operates container freight stations for export and import cargoes. Located strategically at the two largest gateway ports of India – Jawaharlal Nehru Port and Mundra Port – Ameya handles cargoes from key cargo centres in Maharashtra and Gujarat, providing services like cargo stuffing/destuffing, warehousing, customs clearance and transportation.

Indonesia

The PSA Group operates NPCT1 at Tanjung Priok Port in Jakarta. Tanjung Priok is Indonesia's largest port by container volume and serves as its main gateway to international markets. NPCT1 is equipped with deepwater berths and facilities to serve mega container vessels. It has a designed capacity of 1.5 million TEUs.

Italy

In Italy, the PSA Group has a significant presence in Genoa through its operations at PSA Genova Pra' ("**PSA GP**") and PSA SECH. Located in the northwest of the Italian peninsula, PSA GP is the gateway port for shipping lines serving the vast hinterland of southern continental Europe. The terminal has a designed capacity of 2.0 million TEUs. PSA SECH is located at Calata Sanita in the heart of the Port of Genoa. It is close to the open sea with easy and quick access to pilotage. The Terminal is also connected with the Genoa West motorway with linkage to Northern Italy, France, Switzerland and Germany as well as connection to the Italian rail network. The terminal has a designed capacity of 550,000 TEUs.

The PSA Group also operates PSA Venice, the main container facility in the Port of Venice. The terminal has a designed capacity of 430,000 TEUs and is well-connected to trans-European rail and road networks and major shipping routes in the Mediterranean.

Panama

PSA Panama International Terminal ("**PPIT**") was the PSA Group's first investment in the Americas. Located at the Pacific entrance of the Panama Canal, the terminal is well-positioned to participate in the growth of this strategic hub and provides an important port of call for shipping lines handling containers as well as Ro-Ro cargo. PPIT has a designed capacity of 2 million TEUs.

Poland

Since 2019, the PSA Group has operated DCT Gdansk ("**DCTG**"), the largest container terminal in Poland and the only deepwater terminal in the Baltic Sea region. DCTG is situated at the crossroads of the Baltic deep-sea trading routes and holds a strategic position as a major gateway into Poland. In 2021, DCTG was awarded the lease for a new port area within the boundaries of the Port in the Gdansk Bay to construct the new terminal, known as "Baltic Hub 3". When completed in 2024, this is expected to increase the handling capacity of DCTG by 1.5 million TEUs, to 4.5 million TEUs.

Portugal

In Portugal, the PSA Group runs Sines Container Terminal ("**PSA Sines**"), which is strategically located at the crossroads of the main east-west and north-south shipping routes in Europe. The terminal is situated 150km south of the capital, Lisbon, and is a gateway to Portugal and the Iberian Peninsula. In 2020, PSA Sines announced an expansion project that would increase the terminal's designed capacity from 2.3 to 4.1 million TEUs when completed.

Saudi Arabia

The PSA Group entered a joint venture in 2014 with the Public Investment Fund, the sovereign wealth fund of Saudi Arabia, to develop and operate Saudi Global Ports LLC ("**SGP**"), a container terminal located in King Abdul Aziz Port (KAAP) in Dammam. A deepwater hinterland port and the largest Gulf port in Saudi Arabia, Dammam is well-connected by rail and highways to serve the regional economies of the Arabian Peninsula. With effect from October 2020, SGP assumed management of both the First and Second Container Terminals in KAAP, making SGP the sole container terminal operator of the port. SGP currently has a designed capacity of 2.4 million TEUs. When the planned expansion works are fully completed, KAAP's annual handling capacity is expected to increase to 7.5 million TEUs.

South Korea

The PSA Group is involved in three port projects in South Korea. Incheon Container Terminal is the gateway to the Seoul Metropolitan Area and is currently operating with two 300-metre berths and a current capacity of 900,000 TEUs. Pusan Newport International Terminal and HMM PSA New-Port Terminal are located on major trunk lanes connecting Trans-Pacific and Northeast Asia trade routes. The two terminals combined have a designed capacity of 5.1 million TEUs.

Thailand

Eastern Sea Laem Chabang Terminal Co., Ltd. ("**ESCO**"), the PSA Group's investment in Thailand, operates Container Terminal B-3 at Laem Chabang Port. Located at Chonburi province in the upper Gulf of Thailand, Laem Chabang Port is a key point of entry for Thailand's container traffic. ESCO also has sizeable stakes in Container Terminal A-0/B-0 and Container Terminal B-l. Together, these terminals have a combined capacity of over 2.2 million TEUs. ESCO operates Module B at the Lat Krabang Inland Container Depot ("**LICD**") located next to Suvarnbhumi Airport. LICD serves as a dry port for fast cargo clearance and consolidation to beneficial cargo owners in and around Bangkok.

In 2019, PSA entered into a joint venture with SCG Logistics to operate the Thai Connectivity Terminal ("**THCT**"). In addition to PSA's terminals in Laem Chabang, THCT provides an additional node in Thailand for customers to move their cargo into and out of Bangkok.

Turkey

The PSA Group has run the Mersin International Port ("**MIP**") in Turkey since 2007. The country's largest port, it is connected to more than 100 international ports and is a key gateway to the eastern Mediterranean. MIP is also the only terminal in the region capable of handling vessels over 18,000 TEUs. The terminal has a designed capacity of 2.6 million TEUs. The East Med Hub II expansion project will increase the container handling capacity of the port from 2.6 million TEUs to 3.5 million TEUs. With the installation of an additional mega-vessel berth and the enlargement of the yard, MIP is gearing to handle the growing volumes in the region and meet the demand of the port to serve the growing number of mega-vessels.

United States

The PSA Group invested in Penn Terminals in 2019. Penn Terminals is one of the best equipped, privately-owned multipurpose marine terminals on the United States' Eastern Coast. It is a key component of the perishable cargo handling infrastructure of the Delaware River, with approximately 2.85 million cubic feet (80,400 cubic metres) of on-dock reefer warehouse space.

Vietnam

SP-PSA International Port, the PSA Group's investment in Vietnam, is strategically located near the mouth of the Cai Mep-Thi Vai river. The terminal is equipped to handle large vessels at its deepwater berths.

In addition to SP-PSA International Port, the PSA Group also invested in Tan Cang Que Vo Inland Container Depot ("**TCQV ICD**"). Strategically located in the cargo-rich hinterland of Bac Ninh Province, TCQV ICD is an ideal cargo focal point for the consolidation and hubbing of containers in North Vietnam. TCQV ICD's close proximity to factories and warehouses of major beneficial cargo owners presents an opportunity for the PSA Group to enhance its overall service offerings through customised intermodal supply chain solutions.

Key Awards

Over the decades, the PSA Group's companies have been conferred numerous awards and accolades from the global ports and shipping industry, many of which are based on votes by the PSA Group's customers and industry professionals. The table below lists some in recent years:

Year of event	PSA Business Unit	Awarding Publication/ Organisation	Title of Award
2021	PSA International	Asian Freight, Logistics and Supply Chain Awards (AFLAS)	Best Global Terminal Operator (14th Time)
2021	PSA Singapore	Asian Freight, Logistics and Supply Chain Awards (AFLAS)	Best Container Terminal – Asia (Over 4M TEUs) (31st time)
2021	PSA Singapore	IDC Future Enterprise Awards 2021	Best in Future of Industry Ecosystems
2021	PSA Singapore	President's Award for the Environment	Singapore's President's Award for the Environment
2021	PSA Singapore	Singapore International Maritime Award 2021	Excellence in Manpower Training and Development Award
2021	PSA Mumbai	India Maritime Awards	Upcoming Terminal of the Year
2021	Ameya Logistics	India Maritime Awards	Best CFS Operator (Pan India)
2020	PSA International	IdeaScale	2020 Innovation Management Awards Best Process
2020	PSA Singapore	Asian Freight, Logistics and Supply Chain Awards (AFLAS)	Best Container Terminal – Asia (Over 4M TEUs) (30th time)
2020	PSA Antwerp	Asian Freight, Logistics and Supply Chain Awards (AFLAS) (3rd year)	Best Container Terminal – Europe (3rd time)
2020	Mersin International Port	2020 Turkey Atlas Logistics Awards	Port Operator of The Year Award (10th time)
2020	PT New Priok Container Terminal One (NPCT1)	Harbour Master of Tanjung Priok Awards 2020	Most Favourite Terminal Operator on Administration and Reporting Compliance
2020	PSA Marine	SBR Technology Excellence Awards 2020	'Digital – Marine and Offshore Engineering'
2020	GeTS	Singapore Business Review (SBR) Asian Business Case Studies Awards 2020	"ePayment Case Study of the Year" for CALISTA® Insights

Year of event	PSA Business Unit	Awarding Publication/ Organisation	Title of Award
2019	PSA International and GeTS	Asian Development Bank (ADB) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)	Asia-Pacific Trade Facilitation Forum (APTFF) Innovation Award 2019
2019	PSA Singapore	Asian Freight, Logistics and Supply Chain Awards (AFLAS)	Best Container Terminal – Asia (Over 4M TEUs) (29th time)
2019	PSA Singapore	Supply Chain Asia Awards (SCAA)	"Container Terminal Operator of the Year"
2019	PSA Singapore	Lloyd's List Asia Pacific Awards 2019	"Excellence in Port Management and Infrastructure" – Portfolio Business category
2019	PSA Kolkata	Smart Logistics Awards 2019	Smart Container Terminal Award (2nd time)
2019	PSA Mumbai	Jawaharlal Nehru Port Trust (Port Authority)	Best Performer of the year – 2018-19
2019	PSA Chennai	11th South East Cargo & Logistics Awards	Container Terminal Operator of the Year (4th time)
2019	Dalian Container Terminal	China management science conference (12th)	Best achievement for China Management Science Innovation
2019	Fuzhou Container Terminals	China Ports Association	Top 10 container terminals for rail-sea intermodal transport
2019	Fuzhou Container Terminals	China Federation of Logistics and Purchasing (CFLP)	Outstanding Port Logistics Park
2019	Fuzhou Container Terminals	China International Shipping Festival 2019	Top 10 container terminals for comprehensive services (10th time)
2019	Fuzhou Container Terminals	Fujian Provincial Department of Commerce	Fujian Quality Foreign Trade Container Terminal
2019	Mersin International Port	Atlas Logistics Awards	Port Operator of the year (9th time)
2019	Mersin International Port	2019 Turkey's Leader Brand Awards	Turkey's Leader Port Management Brand of The Year Award
2019	PT New Priok Container Terminal One (NPCT1)	Tg. Priok Port Authority	Zero Accident Award for "Zero Loss Time Accident" for 3 consecutive years
2019	PT New Priok Container Terminal One (NPCT1)	Governor of DKI Jakarta Province	Award for participation in poverty alleviation in the Jakarta Province area

Year of event	PSA Business Unit	Awarding Publication/ Organisation	Title of Award
2019	Pusan Newport International Terminal (PNIT)	"Top 100 Companies – A Great Place to Work"	South Korea Ministry of Employment & Labour (MoEL)
2019	Saudi Global Ports (SGP)	International Finance Magazine	Best Most Advanced Container Terminal (Saudi Arabia 2019)
2019	Saudi Global Ports (SGP)	International Finance Magazine	Best Customer Services Port (Saudi Arabia 2019)
2019	Sociedad Puerto Industrial Aguadulce (SPIA)	The Department for Social Prosperity and Comfenalco Valle (government entities)	"Labor Inclusion: Equality is for everyone"
2019	Sociedad Puerto Industrial Aguadulce (SPIA)	Inter-American Committee on Ports (S/CIP)	"CIP Maritime Award of the Americas". Awarded to Puerto Aguadulce for the best social responsibility program in July 2019
2019	DCT Gdansk	Forbes Magazine	Forbes Diamond Award
2019	PSA Panama International Terminal (PPIT)	Mi Ambiente	Las Primeras 100 por el Clima (The First 100 for the climate)

Customers

The PSA Group's customers are principally global and regional shipping lines, including and not limited to, Advance Container Lines (Pte) Ltd, China COSCO SHIPPING Co. Ltd., CMA CGM S.A., Evergreen Marine Corporation, Hapag-Lloyd A.G., HMM Co. Ltd, A.P. Møller-Mærsk A/S, MSC, Ocean Network Express Pte. Ltd., Orient Overseas Container Line Ltd, Pacific International Lines Pte Ltd, Regional Container Lines, PT Samudera Indonesia Tbk, Sea Consortium Pte Ltd, Sinokor Merchant Marine Pte Ltd, Wan Hai Lines Ltd., Yang Ming Marine Transport Corporation and Zim Integrated Shipping Services Ltd. The PSA Group's cargo solutions key customers include Ali Health Information Technology Co., Ltd, Walmart Transportation LLC, Brother International Singapore Pte Ltd, Canadian Tire-Corporation Limited, Innovative Plastics Pte Ltd, Metsä Board Oyj, Sabic Innovative Plastics Singapore Pte Ltd and Singapore Post Limited.

In 2020, the PSA Group's largest customers, many of whom have long term relationships with the PSA Group in Singapore and across PSA's portfolio of terminals, comprise the top 10 global liners deploying more than 84 per cent. of global liner shipping capacity.

The PSA Group's flagship terminal in Singapore, which comprises approximately 42 per cent of the PSA Group's volume in 2020, has established long term partnerships with three key shipping alliances – 2M, Ocean and THE – through joint ventures and long term Terminal Service Agreements.

Marine Services Business

PSA Marine, a wholly-owned subsidiary of PSAI, is a leading harbour and terminal towage operator, and pilotage services provider. PSA Marine owns and operates a modern fleet of more than 70 tugs in Peru, Europe, Bangladesh, China (including Hong Kong and Taiwan), India, Oman, and Southeast Asia, with flagship operations in Singapore. In Europe, PSA Marine's Njord Offshore Ltd is one of the largest operators of classed crew transfer vessels and serves the offshore wind market in the region.

PSA Marine acquired PSA Marine Peru in February 2020. PSA Marine Peru is a premier port services company that provides an integrated service offering of towage, pilotage, launch boat and offshore services in 10 major ports along the Peruvian coastline.

Technology

The PSA Group was among the first port operators to actively develop and widely use technology, including information technology, operations research and automation, and data analytics in its terminals business and operations. The PSA Group continually updates its technology, migrates to more advanced platforms, and invests in the development of new technology with the aim of improving its operational capabilities and enhancing the competitiveness of its customers. For example, PSA Singapore boasts class-leading infrastructure and the latest port innovations, such as a zero-direct-emission, fully-automated electric yard crane system. PSA Singapore is also testing out new automation technologies at its Living Lab at Pasir Panjang Terminal, including automated guided vehicles, fast battery charging and autonomous prime movers.

The PSA Group's key information technology systems are PORTNET® and CITOS®, which are used primarily in Singapore, and its Global TOS (Terminal Operating System) which is used in some of its terminals overseas.

PORTNET® is an online, real-time collaborative platform for shipping lines, hauliers, freight forwarders and government agencies including customs, to manage their complex and integrative network of information efficiently. More than 10,000 users generate an average of 300 million transactions annually. A global version of PORTNET has also been developed and deployed in a port with several terminals outside Singapore. CITOS® is PSA's proprietary terminal management system to coordinate and integrate terminal operations. Developed in 1988 and fine-tuned through the decades, the system is implemented in PSA Singapore to handle the unparalleled scale and complexity of terminal operations. It enables the terminals to maximise land use and optimise retrieval of containers, track the location of each container, and maximise resource productivity through advanced planning.

PSA's Global TOS is another in-house proprietary full-suite solution with applications spanning the entire range of terminal operations; such as yard planning, vessel planning, equipment control and tracking, gate administration, invoicing and management reporting. It has adaptive and pre-emptive features that allow the PSA Group's terminals to be operated more efficiently and optimally.

Beyond terminal systems and equipment, the PSA Group developed and launched CALISTA® in 2018, an open global supply chain platform that brings together key physical, compliance and financial activities of cargo logistics on a digital ecosystem. CALISTA® is co-developed with GeTS, a wholly-owned subsidiary of CrimsonLogic.

Insurance

The PSA Group is covered by insurance policies, at the respective business units, for loss caused by accident, fire, flood, riot, strike and malicious damage and for its liability to its customers and third parties. The PSA Group believes that its properties are covered with adequate insurance provided by reputable insurance companies in the relevant jurisdictions and with commercially reasonable deductibles and limits on coverage, which are normal for the type and location of the assets and properties to which they relate.

Subsidiaries, Associates and Jointly-Controlled Entities

Lists of significant subsidiaries, associates and jointly-controlled entities of the PSA Group as at 31 December 2020 are set out in Notes 6, 7 and 8, respectively, of the financial statements for the year ended 31 December 2020 included in this Offering Memorandum.

Governmental Regulations and Licences

The operations of the PSA Group are subject to a variety of laws and regulations promulgated by the national and local government of each jurisdiction in which it operates. PSAI believes that the PSA Group is in compliance in all material respects with applicable governmental regulations in each jurisdiction in which the PSA Group operates. Compliance with such laws has not had, and in the PSA Group's opinion, is not expected to have, a material adverse effect upon the PSA Group's capacity expenditures, earnings or competitive position. PSAI is not aware of any governmental proceedings or investigations to which it or any member of the PSA Group is or might become a party and which may have a material adverse effect on the properties and operations of the PSA Group taken as a whole.

Various governmental and quasi-governmental agencies and regulatory bodies require the holding of certain licences, concessions and permits with respect to port and port-related operations. In Singapore, the PSA Group operates its container terminal and multi-purpose terminal services, as well as its pilotage and towage services conducted in connection with its marine services business, under licences, the first granted in 1997, by the MPA, the regulatory body for the port of Singapore and maritime affairs. The PSA Group's overseas operations are conducted under valid licences, concessions, permits or certificates granted by the applicable regulatory body in that jurisdiction.

The PSA Group, through its management teams or representatives in each jurisdiction, maintains regular dialogue with local government and regulatory authorities to ensure compliance with the requirements and conditions for obtaining and maintaining the aforementioned licences, concessions, permits or certificates, and to ensure the general smooth running of its operations in each jurisdiction.

Legal Proceedings

Although the PSA Group is and may from time to time be involved in legal proceedings, including commercial arbitration, employment matters, landlord-tenant disputes and general commercial disputes, none of PSAI, PSA Treasury or any of their respective subsidiaries is presently involved in any legal proceedings which may have a material adverse effect on the consolidated financial condition or results of operations of the PSA Group taken as a whole.

BOARD, COMMITTEES AND MANAGEMENT OF PSAI

Board of Directors

The Board of Directors of PSAI comprises ten members:

Name	Position
Peter Robert Voser	Group Chairman
Tan Chong Meng	Director/Group CEO
Frank Kwong Shing Wong	Director
Kaikhushru Shiavax Nargolwala	Director
Tommy Thomsen	Director
Jeanette Wong Kai Yuan	Director
Pang Kin Keong	Director
Tan Tiang Yew Irving	Director
Foo Ji-Xun	Director
Tang Ai Ai	Director

Committees

The Executive Committee

The Executive Committee develops and reviews long-term strategies for the PSA Group. It is responsible for the approval of major acquisitions, divestments, capital expenditures, loans, provision of guarantees, investment policies, customer contracts, tenders and purchase contracts. The Chairman of the Executive Committee is Peter Robert Voser, and its Members are Tan Chong Meng, Frank Kwong Shing Wong and Kaikhushru Shiavax Nargolwala.

The Audit Committee

The Audit Committee identifies and mitigates significant risk areas through regular reviews of the effectiveness of control procedures. It assesses the reliability of management reporting, compliance with applicable laws and regulations and reviews the statutory accounts. The Chairman of the Audit Committee is Tommy Thomsen, and its Members are Jeanette Wong Kai Yuan and Pang Kin Keong.

The Leadership Development and Compensation Committee

The Leadership Development and Compensation Committee oversees leadership development, talent management and remuneration. It ensures that the PSA Group has in place appropriate programmes and consistent policies for grooming leaders, developing global talent and preparing potential successors for key leadership positions. It also reviews the performance and approves the remuneration of PSAI's senior management. The Chairman of the Leadership Development and Compensation Committee is Peter Robert Voser, and its Members are Frank Kwong Shing Wong and co-opted member, Chan Wai Ching who serves as Head, Organisation & People at Temasek.

Supervisory Committees

Supervisory Committees ("**SCs**") are responsible for aligning management resources to better manage the PSA Group's global portfolio of terminals. There are five SCs: Southeast Asia SC, Northeast Asia SC, Middle East South Asia SC, Europe, Mediterranean & The Americas SC and Marine Services SC. Each SC plans and reviews growth strategies and approves major capital expenditures, customer contracts, tenders and purchase contracts for entities of the PSA Group under its business purview.

Biographical Information

Peter Robert Voser

Mr Voser was appointed the Group Chairman of PSAI and the Chairman of PSA Corporation Limited on 1 April 2019. He is also the Chairman of the Board of Directors of ABB Ltd., a member of the Board of Directors of IBM Corporation and Temasek Holdings (Private) Limited, and the Chairman of the Board of Trustees of the St. Gallen Foundation for International Studies. He was previously the Chief Executive Officer ("**CEO**") of Shell from 2009 to 2013 and its Chief Financial Officer ("**CFO**") from 2004 to 2009. Prior to that, he held various leadership roles at Shell in Argentina, Chile, the Netherlands, Switzerland and the United Kingdom.

Tan Chong Meng

Mr Tan was appointed the Group CEO and a Director of PSAI on 1 October 2011. He is also the Chairman of JTC Corporation and a Director of National University Health System Pte. Ltd. Before joining PSA, Mr Tan was Executive Vice President, Global Commercial, Shell Downstream of the Royal Dutch Shell Group. A global leader with more than 20 years of experience in Shell, Mr Tan held various leadership positions in the United States, Europe, China and Singapore. Prior to that, Mr Tan served in various positions with Singapore's Ministry of National Development for five years.

Frank Kwong Shing Wong

Mr Wong is a Director of Asia Philanthropic Ventures Pte. Ltd. He had a long and distinguished career in the financial industry and in public service, and had previously served as Vice Chairman of DBS Bank Ltd. From 1967 to 1999, Mr Wong held a series of progressively senior positions in major financial services firms in Asia and Europe, such as Citibank, JP Morgan and Natwest. Mr Wong had also served in various positions with Hong Kong's government bodies and business associations.

Kaikhushru Shiavax Nargolwala

Mr Nargolwala is the Chairman of 65 Equity Partners Pte. Ltd. and Singapore Pools (Private) Limited, and a Director of Credit Suisse Group AG. He had a distinguished banking career with several leading international banking organisations. He served as the Chairman of Credit Suisse's operations in the Asia Pacific Region from 2010 to 2011, as CEO of the Asia Pacific Region and a member of the Executive Board of Credit Suisse AG from 2008 to 2010. Before that, he was an Executive Director of Standard Chartered PLC from 2006 to 2007, and was its Head of Wholesale Bank from 1998 to 2005. Prior to that, he was Group Executive Vice President at Bank of America from 1990 to 1995, and held various senior positions with the bank from 1976 to 1994.

Tommy Thomsen

Mr Thomsen is the CEO of Lauritzen Foundation. He is the Chairman of J. Lauritzen A/S, Lauritzen Bulkers A/S, Lauritzen Kosan A/S, NanoNord A/S the Danish Maritime Fund and C.W. Obel A/S. He is also a director of the Panama Canal Advisory Board, Meabco A/S and Chemical Transportation Group. He was formerly the CEO and Managing Director for IFU – Investment Fund for Developing Countries. Prior to that, he held various positions with the A.P. Møller-Mærsk Group, having progressed from junior roles to partner, with a seat on the Group Executive Board. As a partner, he was responsible for APM Terminals where he drove its transition from a smaller terminal department to set up the global APM Terminals management. He had also served as President and CEO of A.P. Møller-Mærsk Group's North American division, overseeing its business activities in USA, Canada, Mexico and Central America.

Jeanette Wong Kai Yuan

Ms Wong is the Chairwoman of the CareShield Life Council and the NUS Business School Management Advisory Board. She sits on the Boards of UBS Group AG, Prudential plc, Singapore Airlines Limited and JTC Corporation. Ms Wong is also a member of the Board of Trustees of the National University of Singapore and the Securities Industry Council. She was previously a DBS Group executive, responsible for the Institutional Banking Group which encompasses Corporate Banking, Global Transaction Services and Mergers and Acquisitions and was the CFO of DBS Group from 2003 to 2008. Prior to DBS, Ms Wong was at JP Morgan from 1986 to 2003 where she was responsible for the Global Markets and Emerging Markets Sales and Trading business in Asia and was JP Morgan's head for Singapore from 1997 to 2003.

Pang Kin Keong

Mr Pang is the Permanent Secretary for Singapore's Ministry of Home Affairs ("MHA"). He is the Deputy Chairman of SRCC Pte Ltd and a Board member of Mediacorp Pte Ltd and Civil Service College. He is also a member of the Board Governors of SAFRA National Service Association, Home TeamNS and RSIS and serves as a Trustee of the Singapore Universities Trust and Community Silver Trust. Prior to his current appointment, he was the Principal Private Secretary to the Prime Minister and Director, Internal Security Department, MHA before being appointed Permanent Secretary (Law) in 2010. From 2012 to 2017, he was the Permanent Secretary for Ministry of Transport.

Tan Tiang Yew Irving

Mr Tan is the Chairman, Asia Pacific, Japan and China, of Cisco Systems Inc. Before his current position, he served as the company's Executive Vice President and Chief of Operations. Prior to that, he was the President, Asia-Pacific and Japan, of Cisco Systems (USA) Pte Ltd, where he advanced its position to become one of the most trusted IT partners and providers in the region. Before joining Cisco, Mr Tan was a principal at management consultancy firm A.T. Kearney. He also worked at Hewlett-Packard as business-unit leader for the APJ Communications and Media Solutions Group.

Foo Ji-Xun

Mr Foo is the Global Managing Partner at GGV Capital. He sits on the boards of Baidu, Inc. and XPeng Motors. He is consistently recognised among the top venture capitalists in China and counts 18 of his investments as mega-unicorns or unicorns, such as Baidu, Boss Zhipin, Didi, Grab, Hello, Kujiale, Manbang, Meicai, Qunar, UCWeb, Youku Tudou, and Xpeng Motors. Mr Foo was previously a Director at Draper Fisher Jurvetson ePlanet Ventures, where he led investment efforts in Asian companies. Prior to that, he headed up the Investment Group under the Finance & Investment Division of the National Science & Technology Board of Singapore. He has also served as an R&D project group leader at Hewlett Packard.

Tang Ai Ai

Ms Tang is the Principal of Baker & McKenzie.Wong & Leow and sits on the Boards of Singapore Tourism Board and Climate Governance Singapore Limited. She is also appointed to the role of Justice of the Peace, a role awarded to outstanding Singaporeans who have made significant contributions in their professions, the public service, social services and the community at large. As one of Baker McKenzie's most distinguished lawyers, Ms Tang's legal career spans a range of landmark transactions for blue-chip clients, as well as global management and leadership, including serving as a member of its Global Executive Committee and Chair of the Asia Pacific Region. She is recognised as a leading individual and eminent practitioner for Corporate/M&A matters by publications including Chambers Asia Pacific, Legal 500 Asia Pacific and IFLR1000

Senior Management

Set out below are the current executive officers of PSAI:

Name	Position
Tan Chong Meng	Group CEO
Caroline Lim	Global Head of Human Resource
Lim Pek Suat	Group CFO
Goh Mia Hock	Head of Group Process Excellence & Group Technology
Ong Kim Pong	Regional CEO (Southeast Asia)
David Yang	Regional CEO (Europe, Mediterranean & The Americas)
Roger Tan	Regional CEO (Northeast Asia)
Wan Chee Foong	Regional CEO (Middle East South Asia)/Head of Group Business Development
Terence Tan	General Counsel & Company Secretary
Ho Ghim Siew	Head of Group Strategy & Cargo Solutions
Christopher Chan	Head of Group Corporate Affairs & Group Learning
Eddy Ng	Head of Group Commercial & Supply Chain Sustainability Solutions

Biographical Information

Tan Chong Meng

Mr Tan joined PSA in 2011 as the Group CEO. Together with the Senior Management Council of PSAI, he is responsible for the overall performance of the PSA Group. As an accomplished global leader, Mr Tan has extensive experience managing the complexity, diversity and breadth of a global business. Outside the PSA Group, Mr Tan serves as the Chairman of JTC Corporation and is a non-Executive Director on the board of the National University Health System ("**NUHS**"). In April 2020, he was appointed Co-Chair of the Emerging Stronger Task Force, a committee set up by the Singapore government to guide the nation's economic recovery from the COVID-19 pandemic. He was also previously a Board Member of IE Singapore. Prior to joining the PSA Group, Mr Tan was Executive Vice President of Global Commercial, Shell Downstream, of the Royal Dutch Shell Group, where he led six global business segments responsible for the marketing and sales of fuels, lubricants and specialty products to commercial customers. With over 20 years of experience in Shell, Mr Tan held senior leadership positions spanning management, sales marketing, trading, refinery operations, customer service and merger and acquisitions in the United States, Europe, China and Singapore.

Caroline Lim

Ms Lim joined the PSA Group in 2003 and is the Global Head of Human Resource and a member of the Senior Management Council of PSAI. As Global Head of Human Resource, Ms Lim provides strategic leadership in the global HR function, establishing People and Culture as lynch-pins to organisational success. Ms Lim is concurrently the Advisor to Group Corporate Affairs and Group Learning in PSA. Prior to joining the PSA Group, Ms Lim was the Regional Vice-President of Human Resources in Cap Gemini Ernst & Young, Asia-Pacific, for seven years. A veteran of Human Resources management, Ms Lim has over 40 years of experience across various sectors, such as consulting services, manufacturing, retail services, transportation and logistics.

Lim Pek Suat

Ms Lim has been the Group CFO of the PSA Group since 2008. She supports the PSA Group in its long-term global expansion strategies through strengthening corporate assurance, providing leadership in scoping, strategising, evaluating and structuring potential deals for public tenders and acquisitions. She is also a member of PSAI's Senior Management Council. Ms Lim joined PSA in 2001, bringing with her nearly 15 years of experience in corporate and project management accounting, as well as investment and treasury activities. Prior to joining the PSA Group, Ms Lim worked with a boutique private equity unit specialising in infocomm and biotech investments, and had held various positions in treasury, project management accounting, business and investment analysis in leading MNCs such as Shell Eastern Petroleum, Union Bank of Switzerland and SG Warburg.

Goh Mia Hock

As the Head of Group Process Excellence and Group Technology, Mr Goh oversees group level functions including Operations Development, IT, Health, Safety, Security & Environment, Data for Excellence ("**DFE**") and Technology, and is senior advisor for Group Corporate Affairs. He also sits on the Senior Management Council. In his Group Operations Development and Group IT portfolios, Mr Goh is responsible for process and service excellence in the PSA Group's port operations, the supporting IT infrastructure, and the PSA Group's culture of innovation. He also leads the DFE team in supporting and promoting the application and integration of data analytics into the PSA Group's business processes. He also champions the adoption of technologies in CP4.0TM, which have a transformational impact on future PSA terminal operations. Mr Goh also plays an advisory role for Group Corporate Affairs, providing guidance on policies, media and crisis communication guidelines, to ensure consistent corporate branding and messaging across the PSA Group. Prior to his current appointment, he was Senior Vice President for Planning from 1999 to 2004 in PSA Corporation, and has also served as the Company Secretary of PSAI.

Ong Kim Pong

Mr Ong is the Regional CEO, Southeast Asia of the PSA Group. He has overall responsibility and accountability for the PSA Group's portfolio of operating terminals, investments and expansion in Southeast Asia, including PSA Singapore. He also sits on the Senior Management Council of PSAI, and serves on the Next Generation Port 2030 Steering Committee, International Maritime Centre 2030 Advisory Committee, Singapore Maritime Institute International Advisory Panel, Singapore Maritime Foundation Board, Management Board of the Centre for Maritime Studies, and the Urban Redevelopment Authority Board. He also sits on the Boards of CrimsonLogic and PSA unboXed. Prior to his current appointment, Mr Ong was the Regional CEO of Northeast Asia ("**NEA**") for five years where he led the NEA team in the management of PSA's portfolios in China (including Hong Kong) and South Korea.

David Yang

Mr Yang is the Regional CEO, Europe & Mediterranean and The Americas of the PSA Group, and has overall responsibility and accountability for leading and expanding the businesses in these regions, achieving strategic objectives and performance targets. Mr Yang sits on the Senior Management Council of PSAI. He is also the Co-Chairman of the Turkey-Singapore Business Council. Under the patronage of The Singapore Business Federation, the Council aims to promote bilateral trade and collaboration between the two business communities. Mr Yang first joined the PSA Group in 2001 and re-joined in 2008 following a short stint in DFS (Ventures Singapore) Group where he was Senior Vice President, Global Logistics. From 2001 to 2006, he served in a number of roles in the PSA Group including Regional Director for Europe and Group Head of Business Development. Before joining the PSA Group in 2001, Mr Yang was the Milan Centre Director at the Singapore Economic Development Board.

Roger Tan

Mr Tan is the Regional CEO, Northeast Asia of the PSA Group, and has overall responsibility and accountability for the PSA Group's portfolio of operating terminals, investments and expansion in this region. He also sits on the Senior Management Council of PSAI. A veteran of the PSA Group with over 30 years of experience, Mr Tan held various senior management positions both in Singapore as well as overseas including in China and in South Korea. He also sits on the Board of Directors of several companies in China and was awarded The Efficiency Medal by the Singapore Government in 1988 and the Technical Friendship Award for contributions to the seaport industry by the Chinese Government in 1997.

Wan Chee Foong

Mr Wan is the Regional CEO, Middle East South Asia ("**MESA**") of the PSA Group and the Head of Group Business Development. He also sits on the Senior Management Council of PSAI. As the Regional CEO of MESA, he bears overall responsibility and accountability for PSA Group's portfolio of operating terminals, investments, and expansion in MESA. In his portfolio covering Group Business Development, Mr Wan is responsible for identifying and developing new port, logistics and digital business opportunities around the world. He supports the Group's long-term global expansion strategies, and provides leadership in scoping, strategising, evaluating and structuring potential opportunities. Prior to his current appointment, Mr Wan held leadership roles in the area of group commercial development for the PSA Group. Mr Wan joined PSA in 2012, bringing with him a broad range of business development, investment and restructuring experience in transport, as well as in the fast-moving consumer goods ("**FMCG**") sector.

Terence Tan

Mr Tan is the General Counsel & Company Secretary of the PSA Group. He oversees the PSA Group's worldwide legal and corporate secretarial function, and is also a member of the Senior Management Council of PSAI. Mr Tan brings with him a broad range of transactional experience covering deals and negotiations, management and advisory on mergers and acquisitions, business development, litigation and risk management. Prior to joining the PSA Group in 2010, Mr Tan spent more than nine years at Hewlett-Packard as its Regional Counsel for Asia Pacific including Japan ("**APJ**"). He was also the General Counsel of Cap Gemini Ernst & Young in APJ and Senior Counsel for Oracle Corporation (South Asia).

Ho Ghim Siew

Ms Ho is the Head of Group Strategy & Cargo Solutions of the PSA Group, and is a member of the Senior Management Council of PSAI. She is responsible for developing and maintaining the PSA Group's overall business strategy with a focus on major industry trends and potential shifts. Ms Ho also leads Group Cargo Solutions' development, formulating partnerships with cargo owners, shippers and logistics service providers to enable more resilient, agile and sustainable supply chains, by leveraging the port's connectivity, services and digital platforms. Prior to her current appointment, she was the Head of Group Commercial and Strategy and drove the Group's commercial strategies in support of its activities and relationships with key global shipping lines. Ms Ho has held various management positions across the Group including roles in engineering, commercial, operations, contracts and supplier management in PSA Singapore.

Christopher Chan

Mr Chan is the Head of Group Corporate Affairs and Group Learning, and a member of the Senior Management Council of PSAI. As Head of Group Corporate Affairs, Mr Chan leads global efforts in the areas of Branding, Corporate Communications, Corporate Social Responsibility and Media Relations. He is also a Management Committee member of the Howe Yoon Choong PSA Endowment Fund, which provides bond-free scholarships to Singaporean students who have contributed actively to the community. As Head of Group Learning, Mr Chan leads the strategic planning and development in the areas of organisation development and capability building, including in-house signature programmes.

Eddy Ng

Mr Ng is the Head of Group Commercial & Supply Chain Sustainability Solutions, and a member of the Senior Management Council of PSAI. He steers the PSA Group's commercial strategies in support of its activities and relationships with key global shipping lines. Mr Ng is also responsible for developing PSA's future role and supply chain solutions for cargo owners to address sustainability challenges in their respective production systems. In addition, Mr Ng has a leadership role in Group Process Excellence, with a focus on strengthening and cascading PSA's technology roadmap and digital developments in PSA projects globally. Prior to his current position, Mr Ng was Managing Director of PSA Singapore's Container Division, where he was responsible for the overall business and operational management of the City Terminals and Pasir Panjang Terminals 1-6.

TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a series of Notes issued by PSA International Pte Ltd ("**PSAI**") or PSA Treasury Pte. Ltd. ("**PSA Treasury**") (each of PSAI and PSA Treasury, in relation to Notes issued by it, the "**Issuer**") pursuant to the Trust Deed (as defined below). Issues of Notes by PSA Treasury will be guaranteed by PSAI (in such capacity, the "**Guarantor**"). References in these Conditions to the Guarantor and the Guarantee (as defined below) shall only apply to Notes issued by PSA Treasury.

The Notes are constituted by an Amended and Restated Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Trust Deed**") dated 29 March 2016 between PSAI, PSA Treasury and The Bank of New York Mellon (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below) [as supplemented by the Amended and Restated Singapore Supplemental Trust Deed relating to Notes governed by Singapore law (the "**Supplemental Trust Deed**") dated 29 March 2016 between PSAI, PSA Treasury and the Trustee][2]. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed[, as supplemented by the Supplemental Trust Deed][2], as the case may be, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 29 March 2016 has been entered into in relation to the Notes between PSAI, PSA Treasury, the Trustee, The Bank of New York Mellon as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)**". Copies of the Trust Deed, [the Supplemental Trust Deed][2] and the Agency Agreement referred to above are available for inspection free of charge during usual business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

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

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

1 Form, Denomination and Title

The Notes are issued in bearer form ("**Bearer Notes**", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("**Registered Notes**") or in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**"), in each case in the

Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under Directive 2003/71/EC (the "**Prospectus Directive**"), the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

*All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes. Unless otherwise permitted by the then current laws and regulations, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") will have a minimum denomination of £100,000 (or its equivalent in other currencies). Notes sold in reliance on Rule 144A will be in minimum denominations of U.S.$200,000 (or its equivalent in another currency) and integral multiples of U.S.$1,000 (or its equivalent in another currency) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Notes which are listed on SGX-ST will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time.*

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

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

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

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

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

2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) **Exchange of Exchangeable Bearer Notes**: Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined below) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) **Transfer of Registered Notes**: One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require without service charge and subject to payment of any taxes, duties and other governmental charges in respect of such transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

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

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

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

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any date on which payment is due. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Status and Guarantee

(a) **Status**: The Notes and the Receipts and Coupons constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) **Guarantee**: The payment of all sums expressed to be payable by PSA Treasury under the Trust Deed, the Notes and the Coupons is unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

4 Interest and other Calculations

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

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

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

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

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

(A) ISDA Determination for Floating Rate Notes

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

(x) = the Floating Rate Option is as specified hereon

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

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

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

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

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

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

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

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

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

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference

Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

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

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

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

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

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSFIX01 Page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page);

(bb) if no such rate appears on the Reuters Screen ABSFIX01 Page (or such other replacement page thereof), the Calculation Agent will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen SIBP Page under the caption "SINGAPORE DOLLAR INTER-BANK OFFERED RATES – 11:00 A.M." and the row headed "SIBOR SGD" (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period;

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

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

(ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

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

(aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSFIX01 Page under the column headed “SGD SOR RATES” (or such other page as may replace Reuters Screen ABSFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);

(bb) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be round up to the nearest 1/16 per cent.) for such Interest Period as the rate published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select;

(cc) if on any Interest Determination Date the Calculation Agent is unable to determine the Average Swap Rate under (aa) or (bb) above, the Average Swap Rate shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, in an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Calculation Agent), or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

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

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

(A) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this Condition 5(b)(v). The interest payable in respect of a Variable Rate Note for each Interest Period relating to that Variable Rate Note, which shall be payable on the first day of such Interest Period, is referred to in this Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

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

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

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

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

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

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

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

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

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

(D) For the purposes of paragraph (B) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note shall be the rate (the "**Fall Back Rate**") determined by reference to a Reference Rate as specified hereon.

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

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

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

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

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

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

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 4(g)(ii).

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

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

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

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

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

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

"**Business Day**" means:

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

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

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

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

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

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

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

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

$$\textit{Day Count Fraction} = \frac{[360 \; x \; (Y_2\text{-}Y_1)] \pm [30 \; x \; (M_2\text{-}M_1)] \pm (D_2\text{-}D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

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

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

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

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

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

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

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

where:

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

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

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

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

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

"**Interest Amount**" means:

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

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

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

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

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

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

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

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

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

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

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

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information source).

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

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

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

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

5 Redemption, Purchase and Options

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

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

(ii) Unless otherwise provided hereon and unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within Condition 5(a)(i) above, its final Instalment Amount.

(b) **Early Redemption**:

(i) Zero Coupon Notes:

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

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

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

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

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

(c) **Redemption for Taxation Reasons**:

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note or an Indexed Linked Note) or, at any time (if this Note is neither a Floating Rate Note or an Indexed Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or if the Guarantee was called, the Guarantor) satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay Additional Amounts (as described under Condition 7) as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, (or any taxing authority of any taxing jurisdiction to which the Issuer (or the Guarantor, as the case may be) is or has become subject and in respect of which it has given such undertaking as referred to above in this Condition 5(c)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee a certificate signed by two directors of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 5(c) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate without any further inquiry as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above of this Condition 5(c) without liability to any person in which event it shall be conclusive and binding on Noteholders and Couponholders.

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

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on the Optional Redemption Date(s). Any such redemption of Notes shall be at the Optional Redemption Amount specified hereon together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

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, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

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

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

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

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

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

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

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

6 Payments and Talons

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

(b) **Registered Notes**:

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

(ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

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

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

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

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 6(c) above.

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

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

(i) Upon the due date for redemption, Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes) should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Redemption Amount due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

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

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

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

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

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

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

(h) **Non-Business Days**: If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 6(h), "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as "**Financial Centres**" hereon and:

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

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

7 Taxation

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

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

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

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

*Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the "**Income Tax Act**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.*

8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9 Events of Default

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

(a) **Non-Payment**: the Issuer or the Guarantor fails to pay the principal of or any interest on any of the Notes or under the Guarantee when due and such failure continues for a period of 4 days; or

(b) **Breach of Other Obligations**: the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed and such default continues for a period of 60 days after notice of such default shall have been given to the Issuer by the Trustee; or

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

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

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

Provided that in the case of Conditions 9(b) and 9(c), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

10 Restrictions on Consolidation, Merger and Sale of Assets

Neither the Issuer nor the Guarantor may consolidate with or merge into any other Person or permit any other Person to consolidate with or merge into it or directly or indirectly convey, transfer, sell or lease or otherwise dispose of all or substantially all of its property and assets to any Person unless:

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

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

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

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

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

11 Meetings of Noteholders, Modification, Waiver and Substitution

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

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

(b) **Modification of the Trust Deed**: The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error or is to comply with mandatory provisions of English or Singapore law or is required by the SGX-ST and/or DTC and/or Euroclear and/or Clearstream Luxembourg and/or CDP for or in connection with the listing and trading of the Notes, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) **Substitution**: The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's or the Guarantor's successor in business or any subsidiary of the Issuer or the Guarantor or its successor in business in place of the Issuer or, as the case may be, the Guarantor, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

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

12 Enforcement

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

13 Indemnification of the Trustee

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

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

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

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16 Notices

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

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

17 Contracts (Rights of Third Parties) Act [1999][1]

[No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.][1]

[No person shall have the right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 2001 of Singapore.][2]

18 Governing Law and Jurisdiction

(a) **Governing Law**: The [Trust Deed][1] [, as supplemented by the Supplemental Trust Deed][2], the Notes, the Receipts, the Coupons, the Talons and the Guarantee [and any non-contractual obligations arising out of or in connection with them][1] are governed by, and shall be construed in accordance with, [English][1] [Singapore][2] law.

(b) **Jurisdiction**: The Courts of [England][1] [Singapore][2] are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons, Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons, Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) [**Service of Process**: Each of the Issuer and the Guarantor has in the Trust Deed irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.][1]

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1 Include for Notes governed by English law.

2 Include for Notes governed by Singapore law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Series to CDP or a Common Depositary.

Upon the initial deposit of a Global Note with CDP or a common depositary for Euroclear and Clearstream (the "**Common Depositary**") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream or CDP (as the case may be) and delivery of the relative Global Certificate to the Common Depositary or CDP (as the case may be), Euroclear or Clearstream or CDP (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Global Certificate in respect of, and registration of, Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the Custodian (as defined below) for DTC, DTC will credit each participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, DTC, CDP or any other clearing system (an "**Alternative Clearing System**") as agreed between the relevant Issuer, the Guarantor, the Issuing and Paying Agent, the Trustee, the relevant Registrar and the Dealer(s) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, DTC, CDP or such Alternative Clearing System (as the case may be) for its share of each payment made by the relevant Issuer or the Guarantor (as the case may be) to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, DTC, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the relevant Issuer or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer or the Guarantor will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

Temporary Global Notes

Each temporary Global Note deposited with CDP or a Common Depositary will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Pricing Supplement indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*Overview of the Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Amended and Restated Agency Agreement dated 29 March 2016 (the "**Agency Agreement**") for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

Permanent Global Notes

Each permanent Global Note deposited with CDP or a Common Depositary will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "*Partial Exchange of Permanent Global Notes*", in part for Definitive Notes or Registered Notes: (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes represented by a corresponding interest in an Unrestricted Global Certificate or a Certificate that does not bear the Rule l44A Legend and (ii) (a) if the permanent Global Note is held on behalf of Euroclear or Clearstream or any other Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or an Event of Default (as defined in the Conditions) has occurred and is continuing, and (b) if the permanent Global Note is held by or on behalf of CDP and (1) an Event of Default, enforcement event or analogous event entitling an accountholder or the Trustee to declare the Notes due and payable as provided in the Conditions has occurred and is continuing, (2) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (3) CDP has announced an intention permanently to cease business and no Alternative Clearing System is available or (4) CDP has notified the relevant Issuer that it is unable or unwilling both to act as depository for the Notes and to continue performing its duties set out in the application form dated 29 March 2016 signed by the relevant Issuer and accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein, (the "**Depository Services Agreement**") and no Alternative Clearing System is available.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly-Paid Notes.

Permanent Global Certificates

Unrestricted Global Certificates

If the relevant Pricing Supplement states that the Notes are to be represented by an Unrestricted Global Certificate on issue, the following will apply in respect of transfers of Notes deposited with CDP or held in Euroclear or Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by an Unrestricted Global Certificate pursuant to Condition 2 may only be made:

(i) in the case where the Unrestricted Global Certificate is held in Euroclear, Clearstream or an Alternative Clearing System:

(A) in whole but not in part, if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(B) in whole or in part, with the consent of the relevant Issuer; and

(ii) in the case where the Unrestricted Global Certificate is deposited with CDP, in whole but not in part, if (1) an Event of Default (as defined in the Conditions), enforcement event or analogous event entitling an accountholder or the Trustee to declare the Notes due and payable as provided in the Conditions with respect to such Series has occurred and is continuing, or (2) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), or (3) CDP has announced an intention permanently to cease business and no Alternative Clearing System is available, or (4) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in the Depository Services Agreement and no Alternative Clearing System is available;

provided that in the case of any transfer pursuant to sub-paragraph (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

Restricted Global Certificates

If the relevant Pricing Supplement states that the Restricted Notes are to be represented by a Restricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in DTC. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of DTC, but will limit the circumstances in which the Notes may be withdrawn from DTC.

Transfers of the holding of Notes represented by a Restricted Global Certificate pursuant to Condition 2 may only be made:

(i) in whole but not in part, if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the relevant Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and the relevant Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or

(ii) in whole or in part, with the relevant Issuer's consent,

provided that, in the case of any transfer pursuant to sub-paragraph (i) above, the relevant Registered Noteholder has given the relevant Registrar not less than 30 days' notice at its specified office of the Registered Noteholder's intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out in "*Transfer Restrictions*".

Delivery of Notes

On or after any due date for exchange the holder of a Global Note or Global Certificate may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to, or to the order of, the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note or Global Certificate exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Offering Memorandum, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given or, where applicable, after the 15th day on which a clearing system is closed for business, and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in Singapore and the city in which the relevant clearing system is located.

Amendment to Conditions

The Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Memorandum. The following is a summary of certain of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or Global Certificate or for Definitive Notes or Registered Notes or Certificates is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note or a Global Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note or Global Certificate to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note or Global Certificate, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "**business day**" set out in Condition 6(h).

All payments made in respect of Notes represented by a Global Certificate held on behalf of Euroclear or Clearstream, will be made to, or to the order of, the person whose name is entered on the register of the Noteholders at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

All payments made in respect of Notes represented by a Global Certificate held in CDP will be made to, or to the order of, the person whose name is entered on the register of Noteholders at the close of business on the fifth business day immediately prior to the date for payment.

Prescription

Claims against the relevant Issuer or the Guarantor in respect of Notes that are represented by a permanent Global Note or a Global Certificate will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Global Certificates are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by a reduction in the nominal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent for endorsement in the relevant schedule of such permanent Global Note or, in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the register of the Certificateholders, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Purchase

Notes represented by a permanent Global Note or a Global Certificate may only be purchased by the relevant Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option provided to the relevant Issuer in the Conditions of any Notes while such Notes are represented by a permanent Global Note or a Global Certificate shall be exercised by such Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, DTC, CDP or any Alternative Clearing System (as the case may be).

Noteholders' Option

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note or a Global Certificate may be exercised by the holder of the permanent Global Note or Global Certificate, as the case may be, giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation or, in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificate in the register of the Certificateholders.

Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Global Certificates are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Global Certificate and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions.

Partly-Paid Notes

The provisions relating to Partly-Paid Notes are not set out in this Offering Memorandum, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly-Paid Notes are overdue, no interest in a temporary Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly-Paid Notes within the time specified, the relevant Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

TAXATION

The following summary of certain Singapore tax consequences of the ownership of the Notes is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary is not 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 summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. You should consult your own tax advisor concerning the application of Singapore tax laws to your particular situation as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction or any tax treaties.

Singapore Taxation

The statements made herein regarding taxation are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Offering Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or in 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 Offering 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 tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposition of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuers, the Guarantor 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.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act 1947 of Singapore (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 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. 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 per cent. The rate of 15 per cent. 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 and break cost from debt securities derived on or after 15 February 2007,

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

In addition, as the Programme as a whole was arranged by Financial Sector Incentive (Bond Market) Companies (as defined in the ITA) prior to 1 January 2014, and by Financial Sector Incentive (Bond Market), Financial Sector Incentive (Capital Market) or Financial Sector Incentive (Standard Tier) Companies (as defined in the ITA) thereafter, any tranche of the Notes ("**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Offering Memorandum to 31 December 2023 would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the submission by the relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, paid by the relevant Issuer and 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;

(b) subject to certain conditions having been fulfilled (including the submission by the relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes paid by the relevant Issuer and derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

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

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

    payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the relevant 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 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the relevant 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 per cent. 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 relevant Issuer, Qualifying Income derived from such Relevant Notes held by:

    (i) any related party of the relevant 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 relevant 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.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption 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. Qualifying Income) derived from the Relevant Notes is not exempt from tax (including for the reasons described above) is required to include such income in a return of income made under the ITA.

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

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

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

Capital Gains

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

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, 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*".

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. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 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. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

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

SUBSCRIPTION AND SALE

Summary of the Dealer Agreement

Subject to the terms and on the conditions contained in the amended and restated dealer agreement dated 29 March 2016 (together with all supplements and further amendments thereto, the "**Dealer Agreement**"), between PSAI, PSA Treasury, the Arrangers and the Dealers named therein, the Notes will be offered from time to time for sale through the Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Dealer Agreement also provides for Notes to be issued in syndicated series that are jointly and severally or severally underwritten by two or more Dealers. The Dealer Agreement further provides for the termination of existing Dealers and the appointment of additional Dealers.

The relevant Issuer, failing which the Guarantor, will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by such Dealer. Each Issuer, failing which the Guarantor, has agreed to reimburse the Arrangers for their expenses incurred in connection with the update of the Programme and the Dealers for certain of their activities in connection with the Programme.

Each Issuer and the Guarantor has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to purchase Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

The Dealers may from time to time purchase and sell Notes in the secondary market, but they are not obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, the Dealers may make a market in the Notes.

Other Relationships

From time to time, in the ordinary course of business, certain of the Dealers and their affiliates may have, directly or indirectly, provided advisory and investment banking services, and entered into other commercial transactions with PSAI, PSA Treasury and/or their respective affiliates, including commercial banking services, for which customary compensation may have been received. It is expected that the Dealers and their affiliates will continue to provide such services to, and enter into such transactions, with PSAI, PSA Treasury and/or their respective affiliates in the future.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

The Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or other securities of PSAI, PSA Treasury or their respective subsidiaries or associates at the same time as the offer and sale of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of Notes to which this Offering Memorandum relates (notwithstanding that such selected counterparties may also be purchasers of Notes).

Selling Restrictions

General

These selling restrictions may be modified by the agreement of the relevant Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Memorandum.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Memorandum or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes, or has in its possession or distributes this Offering Memorandum, any other offering material or any Pricing Supplement.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Notes in bearer form 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 Code 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 Dealer Agreement, it will not offer, sell, or in the case of Notes in bearer form, deliver Notes (1) as part of their distribution at any time and (2) otherwise until 40 days after 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 (other than resales pursuant to Rule 144A) 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. The Dealer Agreement provides that the Dealers may directly or through their respective broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale 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 if such offer or sale is made otherwise than in accordance with Rule 144A.

This Offering Memorandum has been prepared by the Issuers for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. Each Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason.

This Offering Memorandum does not constitute an offer to any person in the United States or to any U.S. person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Offering Memorandum by any non-U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of each Issuer and the Guarantor of any of its contents to any such U.S. person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme 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 Offering 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 MiFID II; or

  (b) a customer within the meaning of 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

  (c) not a qualified investor as defined in the Prospectus Regulation; and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme 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 Offering 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

  (b) a customer within the meaning of the provisions of 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 Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

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

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the relevant Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes issued by the relevant Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than (i) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies Ordinance (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

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan Law (Act No. 25 of 1948, as amended; the "**Financial Instruments and Exchange Act**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer represents, warrants and agrees 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, the Offering 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 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.

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.

FORM OF PRICING SUPPLEMENT

[**MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative market*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Prohibition of Sales to EEA Retail Investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (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 (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 – 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 (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 as it forms part of domestic law by virtue of the EUWA (the "**UK 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.]

[The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][1]

Pricing Supplement dated [●]
[PSA INTERNATIONAL PTE LTD/PSA TREASURY PTE. LTD.]

(Legal Entity Identifier: 254900SIC44UKBM2WI40/254900X7FR3V7789SL36)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[guaranteed by PSA International Pte Ltd]
under the U.S.$5,000,000,000 Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Memorandum dated 7 February 2022 [and the supplemental [Offering Memorandum] dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Memorandum [as so supplemented].

[The following language applies if any tranche of the Notes is intended to be "qualifying debt securities" (as defined in the Income Tax Act 1947 of Singapore):

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the "**ITA**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Memorandum dated 7 February 2022. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Memorandum dated 7 February 2022 [and the supplemental Offering Memorandum dated [●]], save in respect of the Conditions which are extracted from the Offering Memorandum dated [original date] and are attached hereto.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1	(i)	Issuer:	[PSA International Pte Ltd/PSA Treasury Pte. Ltd.]
	(ii)	[Guarantor	PSA International Pte Ltd]

[1] For any Notes to be offered to investors in Singapore, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
		(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)	
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
	(iii)	Issue Price:	[●]
5	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
	(ii)	Net proceeds:	[●] [(Required only for listed issues)]
6	(i)	Specified Denominations:	[●] [*Where multiple denominations are being used, the following sample wording should be followed: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Notes in definitive form will be issued with a denomination above €199,000."*]
	(ii)	Calculation Amount:	[●]
7	(i)	Trade Date:	[●]
	(ii)	Issue Date:	[●]
	(iii)	Interest Commencement Date:	[*Specify*/Issue date/Not Applicable]
8	Maturity Date:		[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year/None]
9	Interest Basis:		[●] per cent. Fixed Rate [from [●] to [●]] [[specify reference rate] +/-[●] per cent. Floating Rate [from [●] to [●]] [Zero Coupon] [Index Linked Interest] [Other *(specify)*] (further particulars specified below)
10	Redemption/Payment Basis:		[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other *(specify)*]
11	Change of Interest or Redemption:		*[Specify details of any Payment Basis: provision for convertibility of Notes into another interest or redemption/payment basis]*

12	Put/Call Options:		[Investor Put] [Issuer Call] [(further particulars specified below)]
13	(i)	Status of the Notes:	Senior
	(ii)	Status of the Guarantee:	Senior
14	Listing:		[SGX-ST/(specify)/None]
15	Method of distribution:		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/other]
	(vi)	[Determination Dates:	[●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
17	Floating Rate Not Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●]
	(iii)	Interest Period Date:	[●] (*Not applicable unless different from Interest Payment Date*)
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
	(v)	Business Centre(s):	[●]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]

	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[●]
	(viii)	Screen Rate Determination:	[●]
		– Reference Rate:	[●]
		– Interest Determination Date(s):	[●]
		– Relevant Screen Page:	[●]
	(ix)	ISDA Determination:	
		– Floating Rate Option:	[●]
		– Designated Maturity:	[●]
		– Reset Date:	[●]
	(x)	Margin(s)	[+/-][●] per cent. per annum
	(xi)	Minimum Rate of Interest:	[●] per cent. per annum
	(xii)	Maximum Rate of Interest:	[●] per cent. per annum
	(xiii)	Day Count Fraction:	[●]
	(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18	Variable Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●]
	(iii)	Interest Period Date:	[●] (*Not applicable unless different from Interest Payment Date*)
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
	(v)	Business Centre(s):	[●]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
	(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[●]
	(viii)	Screen Rate Determination:	
		– Reference Rate:	[●]
		– Interest Determination Date(s):	[●]
		– Relevant Screen Page:	[●]

	(ix)	ISDA Determination:	
		– Floating Rate Option:	[●]
		– Designated Maturity:	[●]
		– Reset Date:	[●]
	(x)	Margin(s)	[+/-][●] per cent. per annum
	(xi)	Minimum Rate of Interest:	[●] per cent. per annum
	(xii)	Maximum Rate of Interest:	[●] per cent. per annum
	(xiii)	Day Count Fraction:	[●]
	(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
19	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
	(iii)	Any other formula/basis of determining amount payable:	[●]
20	Index-Linked Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Index/Formula:	[give or annex details]
	(ii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]):	[●]
	(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted:	[●]
	(iv)	Interest Periods:	[●]
	(v)	Specified Interest Payment Dates:	[●]
	(vi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
	(vii)	Business Centre(s):	[●]
	(viii)	Minimum Rate of Interest:	[●] per cent. per annum
	(ix)	Maximum Rate of Interest:	[●] per cent. per annum

21	Variable Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●]
	(iii)	Interest Period Date:	[●]
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
	(v)	Business Centre(s):	[●]
	(vi)	Party responsible for calculating the Fall Back Rate and Interest Amount(s) (if not the [Agent]):	[●]
		– Reference Rate:	[●]
		– Interest Determination Date(s):	[●]
		– Relevant Screen Page:	[●]
	(vii)	Margin(s):	[+/-][●] per cent. per annum
	(viii)	Minimum Rate of Interest:	[●] per cent. per annum
	(ix)	Maximum Rate of Interest:	[●] per cent. per annum
	(x)	Day Count Fraction:	[●]
	(xi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating the Fall Back Rate on Variable Rate Notes, if different from those set out in the Conditions:	[●]
22	Dual Currency Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
	(ii)	Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[●]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

23	Call Option:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[●]

	(ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[●]
24	Put Option:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period:	[●]
25	VRN Purchase Option:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Purchase Option Period:	[Specify maximum and minimum number of days for notice period]
26	Final Redemption Amount of each Note:	[●] per Calculation Amount
	Early Redemption Amount	
27	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

28	Form of Notes:	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] *[N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denominations of the Notes in paragraph 6 includes multiple denominations]* [Registered Notes]

29	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/give details. Note that this paragraph relates to *the date and place of payment, and not interest period end dates, to which sub-paragraphs 16 (ii), 17(iv) and 19(vii) relate*]
30	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
31	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*]
32	Details relating to Instalment Notes: amount of each Instalment ("**Instalment Amount**"), date on which each payment is to be made ("**Instalment Date**"):	[Not Applicable/*give details*]
33	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
34	Consolidation provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement apply]]
35	Other terms or special conditions:	[Not Applicable/*give details*]
DISTRIBUTION		
36	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Stabilising Manager (if any):	[Not Applicable/*give name*]
37	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
38	Additional selling restrictions:	[Not Applicable/*give details*]
OPERATIONAL INFORMATION		
39	ISIN Code:	[●]
40	Common Code:	[●]
41	CUSIP:	[●]
42	Any clearing system(s) other than The Central Depository (Pte) Limited, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
43	Delivery:	Delivery [against/free of] payment
44	Additional Paying Agent(s) (if any):	[●]

GENERAL

45	Applicable Governing Document:	[Amended and Restated Trust Deed dated 29 March 2016 between PSA International Pte Ltd, PSA Treasury Pte. Ltd. and the Trustee] [Supplemental Trust Deed dated 29 March 2016 between PSA International Pte Ltd, PSA Treasury Pte. Ltd. and the Trustee]
46	Governing Law:	[English] [Singapore]

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the U.S.$5,000,000,000 Global Medium Term Note Programme of PSA International Pte Ltd and PSA Treasury Pte. Ltd.]

[STABILISATION

In connection with this issue, [*insert name of Stabilising Manager*] (the "**Stabilisation Coordinator(s)**") (or persons acting on behalf of any Stabilisation Coordinator(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Notes and 60 days after the date of the allotment of the relevant Series of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Coordinator(s) (or person(s) acting on behalf of any Stabilisation Coordinator(s)) in accordance with all applicable laws, rules and regulations.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement.

Signed on behalf of [PSA International Pte Ltd/PSA Treasury Pte. Ltd.]:

[Signed on behalf of PSA International Pte Ltd as Guarantor:

By: . . . .
Duly authorised]

[Signed on behalf of PSA International Pte Ltd as Guarantor:

By: . . . .
Duly authorised]

GLOBAL CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in, or reinterpretation of the rules, regulations and procedures of CDP, DTC, Euroclear and Clearstream (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither PSAI, PSA Treasury, any other party to the Agency Agreement, the Arrangers nor any Dealer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.*

The relevant Pricing Supplement will specify the clearing system(s) applicable for each Series.

The Clearing Systems

DTC

DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions among participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organisations. Indirect access to the DTC system is available to others such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly ("**indirect participants**"). DTC makes payments only in U.S. dollars.

DTC has advised the Issuers that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for Individual Certificates (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the "**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note or Global Certificate for persons holding the Notes in securities accounts with CDP (the "**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may be effected through securities sub-accounts held with corporate depositors (the "**Depository Agents**") Depositors holding Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to 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 transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Guarantor, the Paying Agent nor any other Agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream have established an electronic bridge between their two systems which enables their respective participants to settle trades with each other. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream are governed by the respective rules and operating procedures of Euroclear or Clearstream and any applicable laws. Both Euroclear and Clearstream act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

Book-Entry Ownership

Bearer Notes

The relevant Issuer may make applications to CDP, Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with CDP, or with a Common Depositary for Euroclear and Clearstream or any Alternative Clearing System. Transfers of interests in a temporary Global Note or a permanent Global Note will be made in accordance with the normal Euromarket debt securities operating procedures of CDP, Euroclear and Clearstream or, if appropriate, the Alternative Clearing System.

Registered Notes

The relevant Issuer may make applications to CDP, Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Notes to be represented by an Unrestricted Global Certificate. Each Unrestricted Global Certificate will have an ISIN or Common Code.

The relevant Issuer, and a relevant US agent appointed for such purpose that is an eligible DTC participant, may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by a Restricted Global Certificate. Each such Restricted Global Certificate will have a CUSIP number. Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under "*Transfer Restrictions*".

The custodian with whom the Restricted Global Certificates are deposited (the "**Custodian**"), and DTC, will electronically record the principal amount of the Restricted Notes held within the DTC system. Investors in Notes of such Series may hold their interests in an Unrestricted Global Certificate only through CDP, Euroclear or Clearstream, as the case may be. Investors in Notes of such Series may hold their beneficial interests in the Restricted Global Certificate directly through DTC if they are participants in such system, or indirectly through organisations that are participants in such system.

Payments of the principal of, and interest on, each Restricted Global Certificate registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Restricted Global Certificate. The relevant Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Restricted Global Certificate as shown on the records of DTC or the nominee. The relevant Issuer also expects that payments by DTC participants to owners of beneficial interests in such Restricted Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants.

Neither the Issuers, the Guarantor, the Trustee nor any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or a Restricted Global Certificate. Individual Certificates will only be available, in the case of Notes initially represented by an Unrestricted Global Certificate, in amounts specified in the applicable Pricing Supplement, and, in the case of Notes initially represented by a Restricted Global Certificate, in minimum amounts of U.S.$200,000 (or its equivalent rounded upwards as agreed between the relevant Issuer, the Guarantor and the relevant Dealer(s)), or higher integral multiples of U.S.$1,000, in certain limited circumstances described below.

Payments through DTC

Payments in U.S. dollars of principal and interest in respect of a Restricted Global Certificate registered in the name of a nominee of DTC will be made to the order of such nominee as the registered holder of such Note. Payments of principal and interest in a currency other than U.S. dollars in respect of Notes evidenced by a Restricted Global Certificate registered in the name of a nominee of DTC will be made or procured to be made by the Exchange Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Exchange Agent or its agent to DTC with respect to Notes held by DTC or its nominee will be received from the relevant Issuer by the Exchange Agent who will on the due date make payments in such currency by wire transfer of same day funds to the designated bank account in such currency of those DTC participants which DTC has informed the Exchange Agent are entitled to receive the relevant payment having made an irrevocable election to DTC, in the case of payments of interest, on or prior to the third business day in New York City after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 business days in New York City prior to the relevant payment date, to receive that payment in such currency. DTC will inform the Exchange Agent of the account numbers of the relevant DTC participants and the amount of relevant Notes held by such holders. The Exchange Agent will convert the remaining amounts in such currency into U.S. dollars and deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system (after deduction of any costs and commission of the Exchange Agent, pursuant to the Agency Agreement) to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made.

Individual Certificates

Registration of title to Registered Notes in a name other than CDP or its nominee or a depositary or nominee for Euroclear and Clearstream or DTC will permitted only (i) in the case of Restricted Global Certificates, in the circumstances set forth in "*Summary of Provisions Relating to Notes while in Global Form – Exchange – Restricted Global Certificates*" or (ii) in the case of Unrestricted Global Certificates in the circumstances set forth in "*Summary of Provisions Relating to Notes while in Global Form – Exchange – Unrestricted Global Certificates*". In such circumstances, the relevant Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s).

A person having an interest in a Global Certificate must provide the Registrar with:

(i) written order containing instructions and such other information as the relevant Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates; and

(ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule l44A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule l44A.

Transfers of Registered Notes

Transfers of interests in Global Certificates within CDP, DTC, Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws in some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer an interest in a Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants in DTC, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in an Unrestricted Global Certificate may only be held through CDP, Euroclear or Clearstream. In the case of Registered Notes to be cleared through Euroclear, Clearstream and/or DTC, transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through a Restricted Global Certificate for the same Series of Notes provided that any such transfer made on or prior to the expiration of the distribution compliance period (as used in "*Subscription and Sale*") relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by any Transfer Agent of a written certificate from Euroclear or Clearstream, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person whom the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A that is also a QP within the meaning of the Investment

Company Act and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Euroclear or Clearstream by the holder of an interest in the Unrestricted Global Certificate to the Issuing and Paying Agent of details of that account at DTC to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Certificate.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Issuing and Paying Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Euroclear and/or Clearstream and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date ("**T+3**"). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Euroclear or Clearstream and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, on the other, transfers of interests in the relevant Global Certificates will be effected through the Issuing and Paying Agent, the Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) five business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) four business days after receipt by the Issuing and Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see "*Transfer Restrictions*".

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Guarantor, the Trustee nor any Agent will have any responsibility for the performance by DTC, CDP, Euroclear or Clearstream or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the Custodian, Restricted Notes represented by Individual Certificates will not be eligible for clearance or settlement through DTC, Euroclear or Clearstream.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the US secondary market generally are required to settle within T+3, unless the parties to any such trade expressly agree otherwise. Accordingly, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers who wish to trade Registered Notes in the United States between the date of pricing and the date that is three business days prior to the relevant Issue Date will be required, by virtue of the fact that such Notes initially will settle beyond T+3, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and, in the event that an Issue Date is more than three business days following the relevant date of pricing, purchasers of Notes who wish to trade Notes between the date of pricing and the date that is three business days prior to the relevant Issue Date should consult their own adviser.

TRANSFER RESTRICTIONS

Restricted Notes

Each purchaser of Restricted Notes will be deemed to have acknowledged, represented to and agreed with the relevant Issuer, the Guarantor and each Dealer as follows:

(1) It understands and acknowledges that the Notes have not been registered under the Securities Act or any other applicable securities law, are being offered for resale in transactions not requiring registration under the Securities Act or any other securities law, including sales pursuant to Rule 144A under the Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.

(2) It is (a) a qualified institutional buyer within the meaning of Rule 144A ("**QIB**") that is also a qualified purchaser as defined in Section 2(a)(51) of the Investment Company Act ("**QP**"); (b) not a broker-dealer that owns and invests on a discretionary basis less than U.S.$25 million in securities of unaffiliated issuers; (c) not a participant-directed employee plan, such as a 401(k) plan; (d) acquiring such Notes for its own account, or for the account of one of more QIBs each of which is also a QP; (e) not formed for the purpose of investing in the Notes or the relevant Issuer; (f) the purchaser, and each account for which it is purchasing, will hold and transfer an amount of Notes not less than U.S.$100,000; and (g) aware, and each beneficial owners of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.

(3) It understands that the relevant Issuer has the power under the Trust Deed to compel any beneficial owners of Restricted Notes that is a U.S. person and is not a QIB and a QP to sell its interest in the Restricted Notes, or may sell such interest on behalf of, or purchase such interest from, such owners at the price described in the legend below. The relevant Issuer has the right to refuse to honour the transfer of an interest the Restricted Notes to a U.S. person who is not a QIB and a QP. In addition, it understands that the relevant Issuer may receive a list of participants holding positions in the Notes from one or more book-entry depositories.

(4) It acknowledges that none of the relevant Issuer, the Guarantor nor the Dealers, nor any person representing the Issuer, the Guarantor or the Dealers, has made any representation to it with respect to the offering or sale of any Notes, other than the information contained in this Offering Memorandum, which offering memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning the PSA Group and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes.

(5) It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

Each holder of Restricted Notes agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes only (i) to the relevant Issuer, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a QIB that is also a QP that purchases for its own account or for the account of a QIB that is also a QP to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iv) pursuant to offers and sales that occur outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the relevant Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the other side of the security is completed and delivered by the transferor to the Trustee. Each purchaser acknowledges that each Restricted Note will contain a legend substantially to the following effect:

THIS NOTE AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OF 1933. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY ONLY (A) TO THE RELEVANT ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT OF 1933, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933 ("**RULE 144A**"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT IS ALSO A "QUALIFIED PURCHASER" AS DEFINED IN SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**") THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933 OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS, AND FURTHER SUBJECT TO THE RELEVANT ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE.

IF THE BENEFICIAL OWNER HEREOF IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S, SUCH BENEFICIAL OWNER REPRESENTS THAT (A) IT IS A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER; (B) IT IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (C) IT IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN, (D) IT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF ONE OF MORE QIBS EACH OF WHICH IS ALSO A QP, (E) IT WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE NOTES OR THE RELEVANT ISSUER OR THE GUARANTOR, (F) THE PURCHASER, AND EACH ACCOUNT FOR WHICH IT IS PURCHASING, WILL HOLD AND TRANSFER IN AN AMOUNT OF NOT LESS THAN U.S.$200,000, (G) IT UNDERSTANDS THAT THE RELEVANT ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY

DEPOSITARIES, AND (H) IT IS AWARE, AND EACH BENEFICIAL OWNER OF SUCH NOTES HAS BEEN ADVISED, THAT THE SALE OF SUCH NOTES TO IT IS BEING MADE IN RELIANCE ON RULE 144A.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS NOTE IT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S WHILE IT IS NOT A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER, THE RELEVANT ISSUER MAY (A) COMPEL IT TO SELL ITS INTEREST IN THIS NOTE TO A PERSON (I) WHO IS A U.S. PERSON WHO IS A QUALIFIED INSTITUTIONAL BUYER AND ALSO A QUALIFIED PURCHASER AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THIS NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) WHO IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE TO THE RELEVANT ISSUER OR AN AFFILIATE OF THE RELEVANT ISSUER OR TRANSFER ITS INTEREST IN THIS NOTE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE RELEVANT ISSUER AT A PRICE EQUAL TO THE LEAST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNERS, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE RELEVANT ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THIS NOTE TO A U.S. PERSON WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER. THE RELEVANT ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT.

THE RELEVANT ISSUER MAY COMPEL EACH BENEFICIAL OWNER OF THIS NOTE THAT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S TO CERTIFY PERIODICALLY THAT SUCH BENEFICIAL OWNER IS A QUALIFIED INSTITUTIONAL INVESTOR AND A QUALIFIED PURCHASER.

(1) It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.

(2) It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

(3) It acknowledges that the Trustee will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to the Relevant Issuer and the Trustee that the restrictions set forth therein have been complied with.

(4) It understands that the Notes offered in reliance on Rule 144A will be represented by a Rule 144A Global Certificate. Before any interest in a Rule 144A Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

It acknowledges that the relevant Issuer, the Guarantor, the Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify each Manager. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

Unrestricted Notes

Each purchaser of Unrestricted Notes outside the United States and each subsequent purchaser of such Unrestricted Notes in resales, by accepting delivery of this Offering Memorandum and the Unrestricted Notes, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time Unrestricted Notes are purchased will be, the beneficial owner of such Unrestricted Notes and (a) it is not a U.S. person (if any transfer is made prior to the expiration of the distribution compliance period) and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the relevant Issuer or a person acting on behalf of such an affiliate.

(2) It understands that the Unrestricted Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A under the Securities Act in an amount of not less than U.S.$200,000 to a person whom it and any person acting on its behalf reasonably believe is a QIB who is also a QP purchasing for its own account or the account of a QIB that is also a QP and who takes delivery in the form of an interest in the Rule 144A Global Note (if applicable) or (b) in an offshore transaction to a person who is not a U.S. person in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(3) The relevant Issuer, the Guarantor, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(4) It understands that the Notes offered in reliance on Regulation S will be represented by a Regulation S Global Certificate. Before any interest in a Regulation S Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

(5) Each purchaser acknowledges that each Unrestricted Note will contain a legend substantially to the following effect.

THIS NOTE AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 ("**THE SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF AT ANY TIME WHILE IT HOLDS AN INTEREST IN THIS NOTE IT IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S WHILE IT IS NOT A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER, THE RELEVANT ISSUER MAY (A) COMPEL IT TO SELL ITS INTEREST IN THIS NOTE TO A PERSON (I) WHO IS A U.S. PERSON WHO IS A QUALIFIED INSTITUTIONAL BUYER AND ALSO A QUALIFIED PURCHASER AND WHO IS OTHERWISE QUALIFIED TO PURCHASE THIS NOTE IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OR (II) WHO IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S OR (B) COMPEL THE BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE TO THE RELEVANT ISSUER OR AN AFFILIATE OF THE RELEVANT ISSUER OR TRANSFER ITS INTEREST IN THIS NOTE TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE RELEVANT ISSUER AT A PRICE EQUAL TO THE LEAST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNERS, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF. THE RELEVANT ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF AN INTEREST IN THIS NOTE TO A U.S. PERSON WHO IS NOT A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER. THE RELEVANT ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT.

ACCOUNTANTS

The consolidated financial statements for PSAI as at and for each of the years ended 31 December 2018, 2019 and 2020 included in this Offering Memorandum have been audited by KPMG LLP (Public Accountants and Chartered Accountants) as stated in their report appearing herein.

GENERAL INFORMATION

(1) PSAI is incorporated in Singapore under the Companies Act 1967 of Singapore as a private company limited by shares and its registration number is 197200399R. PSA Treasury is incorporated in Singapore under the Companies Act 1967 of Singapore as a private company limited by shares and its registration number is 201606623H. The registered office of PSAI and PSA Treasury is #03-00, PSA Horizons, 1 Harbour Drive, Singapore 117352.

(2) PSAI has obtained all necessary consents, approvals and authorisations in connection with the establishment and update of the Programme and the giving of the Guarantee. The establishment of the Programme was authorised by the Board of Directors of PSAI and passed on 4 August 2009. The update of the Programme and the giving of the Guarantee was authorised by the Board of Directors of PSAI on 28 January 2022. PSA Treasury has obtained all necessary consents, approvals and authorisations in connection with the update of the Programme. The update of the Programme was authorised by the Board of Directors of PSA Treasury and passed on 17 November 2021.

(3) Application has been made to the SGX-ST for permission to deal in 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. 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 PSAI, PSA Treasury, the PSA Group or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Notes listed on the SGX-ST will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

(4) There has been no material adverse change in the financial position or prospects of PSAI or PSA Treasury, which is material in the context of the issue and offering of the Notes, since 31 December 2020.

(5) None of PSAI, PSA Treasury or any of their respective subsidiaries is presently involved in any legal proceedings which may have a material adverse effect on the consolidated financial condition or results of operations of the PSA Group taken as a whole.

(6) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code of 1986".

(7) Notes may be accepted for clearance through CDP, Euroclear and Clearstream systems (which are the entities in charge of keeping the records). In addition, PSAI or PSA Treasury may make an application for any Restricted Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Certificates will be confirmed in the relevant Pricing Supplement. The Common Code, the International Securities Identification Number ("**ISIN**"), the Committee on the Uniform Security Identification Procedure ("**CUSIP**") number and (where applicable) the identification number for any other relevant clearing system for each Series of Notes may be set out in the relevant Pricing Supplement.

The legal entity identifier of PSAI and PSA Treasury are 254900SIC44UKBM2WI40 and 254900X7FR3V7789SL36 respectively.

(8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Series, based on the prevailing market conditions. Each of PSAI and PSA Treasury does not intend to provide any post-issuance information in relation to any issues of Notes.

(9) For so long as Notes may be issued pursuant to this Offering Memorandum, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection by Noteholders at the office of the Issuing and Paying Agent:

   (i) the Trust Deed (which includes the form of the Global Notes, the definitive Notes, the Certificates, the Coupons, the Receipts and the Talons);

   (ii) the Supplemental Trust Deed;

   (iii) the Agency Agreement;

   (iv) the Constitution of PSAI and PSA Treasury;

   (v) the published annual report and audited consolidated annual accounts of PSAI and the PSA Group for the years ended 31 December 2018, 2019 and 2020;

   (vi) each Pricing Supplement (save that the relevant Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer, the Guarantor and the Issuing and Paying Agent as to its holding of Notes and identity);

   (vii) a copy of this Offering Memorandum together with any supplement to this Offering Memorandum or further Offering Memorandum; and

   (viii) a copy of any document incorporated into this Offering Memorandum by reference.

(10) Each of PSAI and PSA Treasury has agreed that, for so long as any Notes issued by it are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Trustee for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

(11) Drewry Shipping Consultants Ltd has given and not withdrawn its consent to the inclusion in this Offering Memorandum of references to its name and reports, in the form and context in which they appear. Certain information contained in the reports of Drewry Shipping Consultants Ltd is based on estimates or subjective judgments in circumstances where data for actual market conditions does not exist in which it appears.

(12) KPMG LLP (Public Accountants and Chartered Accountants) has audited, and rendered unqualified audit reports on, the accounts of PSAI and the PSA Group for the three years ended 31 December 2018, 2019 and 2020.

DISCUSSION OF CERTAIN DIFFERENCES BETWEEN SFRS(I) AND IFRS

The audited consolidated financial statements for the years ended 31 December 2018, 2019 and 2020 appearing in this Offering Memorandum have been prepared in accordance with SFRS(I). SFRS(I) differs in certain respects from IFRS, issued by the International Accounting Standards Board. As a result, the audited consolidated financial statements and reported earnings could be different from those which would be reported under IFRS. Had the financial statements and other financial information of the PSA Group been prepared in accordance with IFRS, its results of operations and financial position may have been materially different.

SFRS(I) are Singapore's equivalent of IFRS. Currently, there is a SFRS(I) for every IFRS issued. There are however, differences in implementation dates and transitional provisions.

The PSA Group has not prepared a complete reconciliation of its audited consolidated financial statements and related footnote disclosures between SFRS(I) and IFRS and has not quantified such differences, and as such has not made any attempt to identify the necessary disclosure, presentation or classification differences.

Additionally, no attempt has been made to identify future differences (including differences for standards mandatorily effective after the latest balance sheet in this Offering Memorandum) between SFRS(I) and IFRS as a result of future prescribed changes in accounting standards or as a result of transactions or events that may occur in the future.

In making an investment decision, investors must rely upon their own examination of PSAI, PSA Treasury and the PSA Group, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between SFRS(I) and IFRS and how these differences might affect the financial information herein.

INDEX TO THE FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2020

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2020.

In our opinion:

(a) the financial statements set out on pages 7 to 66 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act (Chapter 50), Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Mr Peter Robert Voser (Group Chairman)
Mr Tan Chong Meng (Group Chief Executive Officer)
Mr Davinder Singh s/o Amar Singh
Mr Frank Kwong Shing Wong
Ms Jeanette Wong Kai Yuan
Mr Kaikhushru Shiavax Nargolwala
Mr Pang Kin Keong (Appointed on 22 March 2020)
Mr Tommy Thomsen

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act (Chapter 50), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Davinder Singh s/o Amar Singh		
Singapore Airlines Limited		
- S$500 million 3.22% Notes due 2020	S$500,000	-
Singapore Technologies Engineering Ltd		
- Ordinary shares	83,337	83,337
Singapore Telecommunications Limited		
- Ordinary shares	1,800	1,800
Frank Kwong Shing Wong		
Mapletree North Asia Commercial Trust Management Ltd.		
- Unit holdings in Mapletree North Asia Commercial Trust	2,369,000[1]	1,369,000[1]
Singapore Airlines Limited		
- Ordinary shares	-	210,000
Jeanette Wong Kai Yuan		
Ascendas Funds Management (S) Limited		
- Unit holdings in Ascendas Real Estate Investment Trust	-	350,000
CapitaLand Limited		
- Ordinary shares	15,000	15,000
CapitaLand Retail China Trust Management Limited		
- Unit holdings in CapitaLand Retail China Trust	-	225,000
Mapletree Logistics Trust Management Ltd.		
- Unit holdings in Mapletree Logistics Trust	-	125,000

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Jeanette Wong Kai Yuan (cont'd)		
Singapore Airlines Limited		
- Ordinary shares	6,600	16,500
- Mandatory Convertible Bonds	–	19,470
Singapore Technologies Engineering Ltd		
- Ordinary shares	10,000	10,000
Singapore Telecommunications Limited		
- Ordinary shares	17,821	17,821
Kaikhushru Shiavax Nargolwala		
Ascendas Funds Management (S) Limited		
- Unit holdings in Ascendas Real Estate Investment Trust	162,400[1]	114,000[1]
CapitaLand Commercial Trust Management Limited		
- Unit holdings in CapitaLand Commercial Trust	100,000[1]	N.A.[3]
CapitaLand Integrated Commercial Trust Management Limited (formerly known as CapitaLand Mall Trust Management Limited)		
- Unit holdings in CapitaLand Integrated Commercial Trust (formerly known as CapitaLand Mall Trust)	100,000[1]	100,000[1]
Mapletree Industrial Trust Management Ltd.		
- Unit holdings in Mapletree Industrial Trust	200,000[1]	–
Mapletree Logistics Trust Management Ltd.		
- Unit holdings in Mapletree Logistics Trust	300,000[1]	–
Mapletree Real Estate Advisors Pte. Ltd.		
- Unit holdings in Mapletree Global Student Accommodation Private Trust	4,608[2]	4,608[2]
SIA Engineering Company Limited		
- Ordinary shares	50,000[1]	105,000[1]
Singapore Technologies Engineering Ltd		
- Ordinary shares	62,000[1]	87,000[1]
Singapore Telecommunications Limited		
- Ordinary shares	556,000[1]	556,000[1]
Steven Terrell Clontz		
StarHub Ltd.		
- Ordinary shares	199,300	250,400

[1] Held in trust by trustee company on behalf of the director.
[2] Held in trust by trustee company on behalf of the director and consists of 2,304 Class A and 2,304 Class B units respectively.
[3] Delisted from SGX-ST with effect from 3 November 2020.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2020

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Peter Robert Voser
Director

Tan Chong Meng
Director

3 March 2021

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2020

Member of the Company
PSA International Pte Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PSA International Pte Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2020, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 66.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the current period. 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.

Impairment assessment of goodwill ($487.1 million)
(Refer to notes 2.1, 2.7 and 4 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
The Group has goodwill for which SFRS(I) 1-36 *Impairment of Assets* requires at least an annual impairment assessment. This assessment involves management identifying the cash-generating units (CGUs) to which the goodwill relates and estimating the recoverable amounts of the CGUs. An impairment is recognised when the recoverable amounts of the CGUs are lower than the carrying amounts of the CGUs goodwill and operating assets comprising intangibles and property plant and equipment. The recoverable amounts of the CGUs are determined based on assumptions of expected growth in revenue, gross margin and discount rates. These estimates require judgement and is a key focus area of our audit.	We assessed the Group's process over setting annual budgets on which the cash flow projections are based. We assessed the key assumptions on revenue growth rates and operating profit margins applied in the cash flow projections based on our knowledge of the CGUs' operations and compared them against economic and industry forecasts. This included making enquiries with management to understand their future plans around growth and capital expenditures. We assessed the methodology and key inputs used to derive the discount rates, including comparison with comparable companies. We performed sensitivity analysis around the key assumptions to assess the extent of the change that would be required for the assets to be impaired. We also assessed the adequacy of the Group's disclosures on the CGUs' key assumptions used and sensitivity of the outcome of the impairment assessment to changes in key assumptions.

Valuation of trade and accrued receivables ($653.9 million)
(Refer to notes 2.1, 2.9, 12 and 13 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
The collectability of trade and accrued receivables is considered a key audit matter due to the inherent subjectivity that was involved in estimating expected credit losses (ECL).	We tested key controls over the Group's credit review and collection process. This included reviewing the Group's process to identify and monitor ECL, as well as the Group's basis of making allowance for ECL. We identified a sample of outstanding balances of significant amounts for collectability assessment individually. Where the debt is subject to dispute or potential dispute, we reviewed management's assessment of collectability and the Group's rights under the contracts to assess the reasonableness of recorded allowance amount. We compared the Group's views of collectability of outstanding amounts to historical patterns of receipts and cash received subsequent to year end.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained the Directors' statement and Group financial highlights prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and 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. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I) and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit 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 controls.

- Obtain an understanding of internal controls 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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

From the matters communicated with the directors, 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 auditors' report unless the law or regulations preclude 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

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Quek Shu Ping.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
3 March 2021

STATEMENTS OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Note	2020	2019	2020	2019
		$'000	$'000	$'000	$'000
Assets					
Property, plant and equipment	3	5,931,401	5,869,509	645	320
Intangible assets	4	2,535,758	2,552,864	39,803	30,252
Right-of-use assets	5	998,104	938,891	–	–
Subsidiaries	6	–	–	10,748,602	11,410,802
Associates	7	3,204,997	3,130,037	–	–
Joint ventures	8	3,576,976	3,413,032	–	–
Financial assets	9	1,360,025	1,296,117	86,704	76,633
Other non-current assets	10	202,005	238,191	12,648	17,681
Deferred tax assets	11	39,349	38,015	–	86
Non-current assets		17,848,615	17,476,656	10,888,402	11,535,774
Inventories		45,799	43,211	–	–
Trade and other receivables	12	1,080,561	906,606	200,274	156,855
Cash and bank balances	15	4,396,964	3,188,073	2,811,376	2,008,313
Current assets		5,523,324	4,137,890	3,011,650	2,165,168
Total assets		23,371,939	21,614,546	13,900,052	13,700,942
Equity					
Share capital	16	1,135,372	1,135,372	1,135,372	1,135,372
Accumulated profits and other reserves	17	11,230,788	10,370,225	9,242,978	8,716,207
Equity attributable to owner of the Company		12,366,160	11,505,597	10,378,350	9,851,579
Non-controlling interests		760,056	713,686	–	–
Total equity		13,126,216	12,219,283	10,378,350	9,851,579
Liabilities					
Borrowings	18	4,204,340	4,133,249	1,535,896	2,179,351
Lease liabilities	18	1,062,473	990,360	–	–
Provisions	19	10,624	10,736	–	–
Other non-current obligations	20	451,079	341,253	264,431	158,559
Deferred tax liabilities	11	497,902	495,184	9,964	–
Non-current liabilities		6,226,418	5,970,782	1,810,291	2,337,910
Borrowings	18	2,224,525	1,828,056	905,882	691,283
Lease liabilities	18	58,190	54,902	–	–
Trade and other payables	21	1,464,509	1,294,257	784,283	797,465
Current tax payable		272,081	247,266	21,246	22,705
Current liabilities		4,019,305	3,424,481	1,711,411	1,511,453
Total liabilities		10,245,723	9,395,263	3,521,702	3,849,363
Total equity and liabilities		23,371,939	21,614,546	13,900,052	13,700,942

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

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		$'000	$'000
Revenue	23	4,178,938	4,077,451
Other income	24	224,264	275,855
Staff and related costs	25	(1,013,887)	(1,037,139)
Contract services		(551,897)	(542,612)
Running, repair and maintenance costs		(342,094)	(357,689)
Other operating expenses		(433,188)	(294,039)
Property taxes		(23,524)	(32,939)
Depreciation and amortisation		(748,007)	(719,537)
Service concession revenue	26	–	42,154
Service concession costs	26	–	(42,154)
Profit from operations	27	1,290,605	1,369,351
Finance costs	28	(239,314)	(262,664)
Share of profit of associates, net of tax		187,202	197,895
Share of profit of joint ventures, net of tax		174,249	157,962
Profit before income tax		1,412,742	1,462,544
Income tax expense	29	(221,507)	(197,096)
Profit for the year		1,191,235	1,265,448
Profit attributable to:			
Owner of the Company		1,168,072	1,245,802
Non-controlling interests		23,163	19,646
Profit for the year		1,191,235	1,265,448

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2020

	2020 $'000	2019 $'000
Profit for the year	1,191,235	1,265,448
Other comprehensive income **Items that will not be reclassified to income statement:**		
Defined benefit plan remeasurements	(887)	(1,675)
Net change in fair value of equity investments at FVOCI	60,989	87,313
Income tax on other comprehensive income	(2,570)	(59,622)
	57,532	26,016
Items that are or may be reclassified subsequently to income statement:		
Exchange differences of foreign operations	(68,135)	(143,630)
Exchange differences on monetary items forming part of net investment in foreign operations	64,153	(34,487)
Exchange differences on hedge of net investment in a foreign operation	62,684	29,000
Inflation adjustment for the year	27,725	47,692
Effective portion of changes in fair value of cash flow hedges	8,440	50,178
Net change in fair value of cash flow hedges reclassified to income statement	(19,405)	(20,590)
Share of reserves in associates	55,694	(51,257)
Share of reserves in joint ventures	1,830	965
Reserves reclassified to income statement on disposal of subsidiaries	(382)	(6,214)
Reserves reclassified to income statement on disposal of a joint venture	340	–
Income tax on other comprehensive income	940	(148)
	133,884	(128,491)
Other comprehensive income for the year, net of tax	191,416	(102,475)
Total comprehensive income for the year	1,382,651	1,162,973
Total comprehensive income attributable to:		
Owner of the Company	1,359,460	1,150,832
Non-controlling interests	23,191	12,141
Total comprehensive income for the year	1,382,651	1,162,973

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	Share capital	Capital reserve	Insurance reserve	Foreign currency translation reserve	Hedging reserve	Fair value reserve	Accumulated profits	Total attributable to owner of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2019	1,135,372	29,188	97,357	(965,981)	(32,881)	(334,468)	11,031,178	10,959,765	685,126	11,644,891
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	1,245,802	1,245,802	19,646	1,265,448
Other comprehensive income										
Exchange differences of foreign operations	–	–	–	(137,669)	–	–	–	(137,669)	(5,961)	(143,630)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	(34,487)	–	–	–	(34,487)	–	(34,487)
Exchange differences on hedge of net investment in a foreign operation	–	–	–	29,000	–	–	–	29,000	–	29,000
Inflation adjustment for the year	–	–	–	47,692	–	–	–	47,692	–	47,692
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	44,943	–	–	44,943	5,235	50,178
Net change in fair value of cash flow hedges reclassified to income statement	–	–	–	–	(13,811)	–	–	(13,811)	(6,779)	(20,590)
Net change in fair value of equity investments at FVOCI	–	–	–	–	–	87,313	–	87,313	–	87,313
Share of reserves in associates	–	(9,152)	–	(25,652)	–	(16,453)	–	(51,257)	–	(51,257)
Share of reserves in joint ventures	–	–	–	283	682	–	–	965	–	965
Reserves reclassified to income statement on disposal of a subsidiary	–	–	–	(6,214)	–	–	–	(6,214)	–	(6,214)
Defined benefit plan remeasurements	–	–	–	–	–	–	(1,675)	(1,675)	–	(1,675)
Income tax on other comprehensive income	–	–	–	–	(148)	(60,369)	747	(59,770)	–	(59,770)
Total other comprehensive income	–	(9,152)	–	(127,047)	31,666	10,491	(928)	(94,970)	(7,505)	(102,475)
Total comprehensive income for the year	–	(9,152)	–	(127,047)	31,666	10,491	1,244,874	1,150,832	12,141	1,162,973
Hedging gains and losses and costs of hedging transferred to property, plant and equipment	–	–	–	–	(5,000)	–	–	(5,000)	–	(5,000)
Transactions with owner, recorded directly in equity										
Contributions by and distributions to owner of the Company										
Capital contribution by non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	101,910	101,910
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(64,179)	(64,179)
Interim tax-exempt dividend declared and paid of $0.99 per share	–	–	–	–	–	–	(600,000)	(600,000)	–	(600,000)
Total contributions by and distributions to owner of the Company	–	–	–	–	–	–	(600,000)	(600,000)	37,731	(562,269)
Changes in ownership interests in subsidiaries										
Disposal of interest in a subsidiary to non-controlling interests, with a change in control	–	–	–	–	–	–	–	–	(21,312)	(21,312)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	(21,312)	(21,312)
At 31 December 2019	1,135,372	20,036	97,357	(1,093,028)	(6,215)	(323,977)	11,676,052	11,505,597	713,686	12,219,283

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	Share capital	Capital reserve	Insurance reserve	Foreign currency translation reserve	Hedging reserve	Fair value reserve	Accumulated profits	Total attributable to owner of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2020	1,135,372	20,036	97,357	(1,093,028)	(6,215)	(323,977)	11,676,052	11,505,597	713,686	12,219,283
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	1,168,072	1,168,072	23,163	1,191,235
Other comprehensive income										
Exchange differences of foreign operations	–	–	–	(65,382)	–	–	–	(65,382)	(2,753)	(68,135)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	64,153	–	–	–	64,153	–	64,153
Exchange differences on hedge of net investment in a foreign operation	–	–	–	62,684	–	–	–	62,684	–	62,684
Inflation adjustment for the year	–	–	–	27,725	–	–	–	27,725	–	27,725
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	236	–	–	236	8,204	8,440
Net change in fair value of cash flow hedges reclassified to income statement	–	–	–	–	(11,776)	–	–	(11,776)	(7,629)	(19,405)
Net change in fair value of equity investments at FVOCI	–	–	–	–	–	58,783	–	58,783	2,206	60,989
Share of reserves in associates	–	(17,824)	–	26,553	–	46,965	–	55,694	–	55,694
Share of reserves in joint ventures	–	–	–	658	191	–	981	1,830	–	1,830
Reserves reclassified to income statement on disposal of a subsidiary	–	–	–	(382)	–	–	–	(382)	–	(382)
Reserves reclassified to income statement on disposal of a joint venture	–	–	–	340	–	–	–	340	–	340
Defined benefit plan remeasurements	–	–	–	–	–	–	(887)	(887)	–	(887)
Income tax on other comprehensive income	–	–	–	–	940	1,239	(3,809)	(1,630)	–	(1,630)
Total other comprehensive income	–	(17,824)	–	116,349	(10,409)	106,987	(3,715)	191,388	28	191,416
Total comprehensive income for the year	–	(17,824)	–	116,349	(10,409)	106,987	1,164,357	1,359,460	23,191	1,382,651
Hedging gains and losses and costs of hedging transferred to property, plant and equipment	–	–	–	–	(543)	–	–	(543)	–	(543)
Transactions with owner, recorded directly in equity										
Contributions by and distributions to owner of the Company										
Capital contribution by non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	31,886	31,886
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(37,005)	(37,005)
Interim tax-exempt dividend declared and paid of $0.82 per share	–	–	–	–	–	–	(500,000)	(500,000)	–	(500,000)
Total contributions by and distributions to owner of the Company	–	–	–	–	–	–	(500,000)	(500,000)	(5,119)	(505,119)
Changes in ownership interests in subsidiaries										
Acquisition of interest in a subsidiary with non-controlling interests	–	–	–	–	–	–	–	–	14,876	14,876
Disposal of interest in subsidiaries to non-controlling interests, without a change in control	–	–	–	327	–	(1,105)	2,424	1,646	13,422	15,068
Total changes in ownership interests in subsidiaries	–	–	–	327	–	(1,105)	2,424	1,646	28,298	29,944
At 31 December 2020	1,135,372	2,212	97,357	(976,352)	(17,167)	(218,095)	12,342,833	12,366,160	760,056	13,126,216

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		$'000	$'000
Cash flows from operating activities			
Profit for the year		1,191,235	1,265,448
Adjustments for:			
Depreciation and amortisation		748,007	719,537
Impairment made for:			
Intangible assets		65,000	–
Property, plant and equipment		39,995	–
Net change in fair value of equity investments at FVTPL		(426)	(6,201)
(Gain)/loss on disposal of:			
Financial assets		(175)	(589)
Intangible assets		1,731	1,472
Joint ventures		(50,749)	–
Property, plant and equipment		(4,890)	(10,976)
Subsidiary		–	(19,310)
Dividend income from financial assets		(38,100)	(56,530)
Interest income		(108,633)	(144,097)
Share of profit of associates, net of tax		(187,202)	(197,895)
Share of profit of joint ventures, net of tax		(174,249)	(157,962)
Finance costs	28	239,314	262,664
Income tax expense	29	221,507	197,096
		1,942,365	1,852,657
Changes in working capital:			
Inventories		(2,588)	1,643
Trade and other receivables		(100,656)	51,787
Trade and other payables		231,976	(24,051)
Cash generated from operations		2,071,097	1,882,036
Income tax paid		(208,813)	(236,935)
Net cash from operating activities		1,862,284	1,645,101

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Note	2020 $'000	2019 $'000
Cash flows from investing activities			
Dividends received		221,318	364,615
Interest received		76,745	89,879
Purchase of property, plant and equipment and intangible assets		(590,573)	(1,185,550)
Proceeds from disposal of property, plant and equipment and intangible assets		36,781	44,085
Purchase of financial assets		(356)	(12,551)
Investments in and loans to joint ventures		(14,496)	(655,232)
Repayment of loans provided to joint ventures		10,868	55,123
Loan to a non-controlling shareholder of a subsidiary		(9,800)	–
Acquisition of interests in subsidiaries, net of cash acquired	33	(206,350)	(663,723)
Disposal of interests in subsidiaries to non-controlling interests, with a change in control, net of cash disposed	33	–	(31,853)
Proceeds from disposal of interest in subsidiaries to non-controlling interest, without a change in control		15,068	–
Proceeds from disposal of a joint venture		69,351	–
Proceeds from disposal of financial assets		2,328	598
Capital reduction in a joint venture and an associate		–	16,149
Net cash used in investing activities		(389,116)	(1,978,460)
Cash flows from financing activities			
Proceeds from bank loans and notes		2,532,505	2,298,462
Repayment of bank loans and notes		(2,186,135)	(1,944,468)
Proceeds from loans from joint venture		190,476	151
Repayment of loans from joint venture		(2,278)	–
Payment of lease liabilities		(62,655)	(58,280)
Capital contribution by non-controlling shareholders of subsidiaries		31,886	101,910
Dividends paid to owner of the Company		(500,000)	(600,000)
Dividends paid to non-controlling shareholders of subsidiaries		(37,005)	(64,179)
Interest paid		(237,882)	(256,180)
Net cash used in financing activities		(271,088)	(522,584)
Net increase/(decrease) in cash and bank balances		1,202,080	(855,943)
Cash and bank balances at beginning of the year		3,188,073	4,054,386
Translation differences on consolidation		6,811	(10,370)
Cash and bank balances at end of the year	15	4,396,964	3,188,073

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

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 March 2021.

1 DOMICILE AND ACTIVITIES

PSA International Pte Ltd (the Company) is incorporated in the Republic of Singapore and has its registered office at 1 Harbour Drive, PSA Horizons, #03-00, Singapore 117352.

The principal activities of the Company are investment holding and the provision of consultancy services on port management, port operations and information technology. The principal activities of the subsidiaries are mainly those of providers of port, marine, software development and IT related services.

The immediate and ultimate holding company during the financial year is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESS

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified.

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise presented.

On 1 January 2020, the Group has adopted the new and revised SFRS(I), amendments to and interpretations of SFRS(I) that are mandatory for the financial year beginning 1 January 2020. The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Impairment of property, plant and equipment, intangible assets and right-of-use assets

The Group has significant tangible and intangible assets in its business. Changes in technology or changes in the intended use of these assets may cause the estimated period of use or value of these assets to change.

Assets that have an infinite useful life are tested for impairment annually. Assets that are subject to depreciation and amortisation are reviewed to determine whether there is any indication that the carrying amounts of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in the income statement.

Management judgement is required in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying amount of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

Impairment of trade receivables

The Group assesses whether there are indicators that financial assets have been impaired at each reporting date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy and default, or significant delay in payments are indicators that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the market, economic or legal environment in which the debtor operates.

Depreciation and amortisation

Depreciation and amortisation of non-financial assets constitute significant operating costs for the Group. The costs of these non-financial assets are charged as depreciation or amortisation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activities and residual values to determine adjustments to estimated remaining useful lives and depreciation or amortisation rates.

Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable or amortisable lives and therefore depreciation or amortisation expense in future periods.

Residual values of the port assets are estimated after considering the price that could be recovered from the sale of the port assets and the expected age and condition at the end of their useful lives, after deducting the estimated costs of disposal.

2.2 Changes in accounting policies

New standards and amendments applicable after 1 January 2020

The Group has early adopted *COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16* issued on 28 May 2020. The amendment introduces an optional practical expedient for leases in which the Group is a lessee – i.e. for leases to which the Group applies the practical expedient, the Group is not required to assess whether eligible rent concessions that are a direct consequence of the COVID-19 coronavirus pandemic are lease modifications. The Group has applied the amendment retrospectively. The amendment has no impact on retained earnings at 1 January 2020.

2.3 Basis of consolidation

Business combinations

Business combinations are accounted for under the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been adjusted where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Associates and joint ventures are accounted for in the consolidated financial statements under the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition results and reserves of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The latest audited financial statements of the associates and joint ventures are used and where these are not available, unaudited financial statements are used. Any differences between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted for in the subsequent financial year.

The Group's investments in equity-accounted investees include goodwill on acquisition and other intangible assets acquired from business combinations. Where the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions with non-controlling interests

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests, which are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, at fair value or at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value at acquisition date.

Changes in the Group's ownership interest in a subsidiary that do not result in a change in control are accounted for as transactions with owners in their capacity as owners and therefore the carrying amounts of assets and liabilities are not changed and goodwill and bargain purchase gain are not recognised as a result of such transactions. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Any difference between the adjustment to non-controlling interests and the fair value of consideration paid or received is recognised directly in equity and presented as part of equity attributable to owner of the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

2.4 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the income statement, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective (see note 2.8), which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates for the year.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income and presented within equity in foreign currency translation reserve. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

For foreign operations in hyperinflationary economies, the income statement and non-monetary items in the foreign operation's statement of financial position are first restated to reflect changes in the general purchasing power of the foreign operation's functional currency based on the inflation rate up to the reporting date, with the resultant adjustment taken to the foreign operation's income statement as a net gain or loss on monetary items. All amounts (i.e. assets, liabilities, equity items, income and expenses) are then translated to Singapore dollars at the exchange rates prevailing at the reporting date, with the differences from opening balances recognised in other comprehensive income, and presented within equity in foreign currency translation reserve.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve is reclassified to the income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

Net investment in a foreign operation

Foreign exchange gains and losses arising from monetary items, that in substance form part of the Group's net investment in a foreign operation, are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve. When the net investment is disposed of, the relevant amount in the foreign currency translation reserve is reclassified to the income statement as an adjustment to the gain or loss arising on disposal.

2.5 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, and an estimated cost of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the assets or restore the site, and capitalised borrowing costs, where applicable.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net in the income statement.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of property, plant and equipment to its estimated residual value over the estimated useful life (or lease term, if shorter) of each component of an item of property, plant and equipment.

Estimated useful lives are as follows:

Leasehold land	20 to 80 years
Buildings	10 to 58 years
Wharves, hardstanding and roads	5 to 33 years
Plant, equipment and machinery	3 to 25 years
Floating crafts	6 to 25 years
Dry-docking costs	2 to 5 years
Motor vehicles	3 to 15 years
Computers	3 to 5 years

No depreciation is provided on capital work-in-progress until the related property, plant and equipment is ready for use. Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.6 Intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with infinite useful lives or not ready for use are stated at cost less accumulated impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill represents the excess of:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses and is subject to testing for impairment, as described in note 2.7.

Computer software

Computer software, which is acquired and subscribed by the Group, where it is not an integral part of the related hardware, is treated as an intangible asset. Computer software is amortised in the income statement on a straight-line basis over its estimated useful lives of 3 to 10 years, from the date on which it is ready for use.

Software development costs

Development expenditure attributable to projects, where the technical feasibility and commercial viability of which are reasonably assured, is capitalised and amortised over the time period for which the tangible benefits of the projects are expected to be realised. Software development costs are not amortised until the completion date and when the software is ready for use. Amortisation is charged to the income statement on a straight-line basis over estimated useful lives of 3 to 10 years.

Port concession, port use and other operating rights

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value upon initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The expenditures incurred in relation to the right to operate a port are capitalised as port use rights. These rights are amortised in the income statement on a straight-line basis over their estimated useful lives of 21 to 42 years.

Research costs

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

Other intangible assets

Other intangible assets which are acquired by the Group are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement on a straight-line basis over estimated useful lives of 2 to 21 years.

Capital work-in-progress

No amortisation is provided on capital work-in-progress until the intangible asset is ready for use.

2.7 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Goodwill and other non-financial assets with infinite useful lives or not yet available for use are tested for impairment at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the income statement unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

2.8 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, other non-current assets, trade and other receivables, cash and bank balances, other non-current liabilities, trade and other payables, and borrowings.

Cash and cash equivalents comprise cash balances, bank deposits, and bank overdrafts. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire, or it transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised when the Group's contractual obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments (unless it is a trade receivable without a significant financing component) are initially measured at fair value plus, for non-derivative financial instruments not at fair value through profit or loss (FVTPL), any directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) for equity investments or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are as described below.

(a) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

(b) Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement.

(c) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

Non-derivative financial liabilities

Non-derivative financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the income statement.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign exchange, fuel price and interest rate risk exposures. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item in assessing whether they have values that generally move in the opposite direction because of the same hedged risk.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as follows:

(a) Cash flow hedges

Changes in the fair value of the derivative designated as a hedging instrument of a cash flow hedge is recognised in other comprehensive income and presented within equity in the hedging reserve to the extent the hedge is effective, limited to the cumulative change in fair value of the hedged item from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation revoked, then hedge accounting is discontinued prospectively.

The cumulative gain or loss previously recognised in equity in the hedging reserve remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is reclassified to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects the income statement.

If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to the income statement.

(b) Fair value hedges

Changes in the fair value of a derivative designated as a hedging instrument of a fair value hedge are recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in the income statement and the carrying amount of the hedged item is adjusted.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised or the designation is revoked, then hedge accounting is discontinued prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

(c) Hedge of net investment in a foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve, to the extent that the hedge is effective. The ineffective foreign currency differences are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in foreign currency translation reserve is reclassified to the income statement as an adjustment to the gain or loss on disposal when the investment in the foreign operation is disposed.

(d) Economic hedges

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in the income statement as part of foreign currency gains and losses.

(e) Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in the income statement.

2.9 Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost; and
- contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

2.10 Financial guarantees

Financial guarantee contracts issued by the Company to external parties on behalf of entities within the Group are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2.11 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset 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. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied *COVID-19-Related Rent Concessions – Amendment to SFRS(I) 16*. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characterises and in similar circumstances.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

2.12 Inventories

Inventories mainly comprise stores and consumables which are valued at cost of purchase (including cost incurred in bringing the inventories to their present location and condition) on a weighted average cost method less any applicable allowance for obsolescence. When inventories are consumed, the carrying amount of these inventories is recognised as an expense in the year in which the consumption occurs.

2.13 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligations in respect of defined benefit plans are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.15 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.16 Revenue recognition

Income from services

Income from port and marine services rendered is recognised at a point in time and income from consultancy services is generally recognised over time, when the Group satisfies a performance obligation by transferring service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to each satisfied performance obligation. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services.

License fee

License fee represents fees earned from the sale of license of software to customers and is recognised when the customer takes delivery of the software, and the criteria for acceptance have been satisfied.

System development revenue

System development contracts of less than 12 months' duration and completed within the financial year are recognised at a point in time based on the completed contract method. System development for longer-term contracts are recognised over time. The stage of completion is typically assessed by reference to work performed based on the ratio of costs incurred to date to the estimated total costs for each contract.

Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognised over time based on the percentage of completion of the work performed. The percentage of completion is assessed by reference to surveys of work performed. The related costs are recognised in the income statement when they are incurred. Operation or service revenue is recognised in the period in which the services are provided by the Group. If the service concession arrangement contains more than one performance obligation, then the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

Dividend income

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

Interest income

Interest income is recognised as it accrues, using the effective interest method, except where the collection is contingent upon certain conditions being met, then such income is recognised when received.

2.17 Government grants

Government grants are recognised in the statement of financial position initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

2.18 Finance costs

Finance costs comprise interest expense on borrowings which includes reclassifications of net losses previously recognised in other comprehensive income and the unwinding of the discount on provisions. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.19 Income tax expense

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.20 Non-current assets held for sale or distribution

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured under different rules in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment losses.

2.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Executive Committee and Senior Management Council of the Company to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land	Buildings	Wharves, hardstanding and roads	Plant, equipment and machinery	Floating crafts and dry-docking costs	Motor vehicles	Computers	Capital work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
Cost										
At 1 January 2019	–	1,513,715	677,845	2,682,544	5,676,845	447,900	25,575	202,405	164,439	11,391,268
Reclassifications	32,697	(32,697)	17,615	11,939	104,796	27,661	770	27,510	(190,291)	–
Additions	4,540	–	11,067	7,387	20,781	36,538	2,059	4,755	1,032,869	1,119,996
Acquisition of subsidiaries	38,530	–	53,501	–	123,536	–	5,189	1,783	11,683	234,222
Disposals	–	–	(8,775)	(6,034)	(151,408)	(78,143)	(1,327)	(16,915)	(6)	(262,608)
Disposal of a subsidiary	–	–	–	(3,893)	(215,077)	–	(219)	–	(109)	(219,298)
Transferred to intangible assets	–	–	–	–	–	–	–	–	(16,369)	(16,369)
Translation differences on consolidation	(609)	–	(7,590)	(6,949)	(49,700)	(1,649)	(130)	(2,047)	(3,716)	(72,390)
At 31 December 2019	75,158	1,481,018	743,663	2,684,994	5,509,773	432,307	31,917	217,491	998,500	12,174,821
Reclassifications	–	–	111,847	20,718	145,896	31,584	1,572	9,497	(321,114)	–
Additions	–	–	5,299	6,161	70,040	16,288	697	5,261	434,929	538,675
Acquisition of subsidiaries	–	–	2,654	–	72,408	113,768	453	4,025	926	194,234
Disposals	–	–	(19,996)	(6,238)	(56,926)	(39,064)	(351)	(4,458)	–	(127,033)
Transferred to intangible assets	–	–	–	–	–	–	–	(125)	(5,507)	(5,632)
Translation differences on consolidation	(140)	–	14,869	15,212	79,579	(3,593)	121	2,495	4,522	113,065
At 31 December 2020	75,018	1,481,018	858,336	2,720,847	5,820,770	551,290	34,409	234,186	1,112,256	12,888,130
Accumulated depreciation and impairment losses										
At 1 January 2019	–	884,475	407,810	1,390,899	2,935,724	207,699	19,911	159,461	–	6,005,979
Depreciation charge for the year	–	50,018	26,945	118,676	311,295	31,065	2,124	23,728	–	563,851
Acquisition of subsidiaries	–	–	33,444	–	48,244	–	1,324	879	–	83,891
Disposals	–	–	(8,734)	(5,910)	(150,279)	(58,310)	(1,262)	(16,907)	–	(241,402)
Disposal of a subsidiary	–	–	–	(766)	(68,446)	–	(164)	–	–	(69,376)
Translation differences on consolidation	–	–	(5,729)	(3,769)	(26,195)	(512)	(100)	(1,326)	–	(37,631)
At 31 December 2019	–	934,493	453,736	1,499,130	3,050,343	179,942	21,833	165,835	–	6,305,312
Depreciation charge for the year	–	50,104	33,016	114,134	310,139	36,717	2,441	18,103	–	564,654
Acquisition of subsidiaries	–	–	2,229	–	42,267	46,387	290	3,537	–	94,710
Disposals	–	–	(19,949)	(3,113)	(55,729)	(28,107)	(317)	(4,432)	–	(111,647)
Transferred to intangible assets	–	–	–	–	–	–	–	(125)	–	(125)
Impairment losses	–	34,885	22	5,083	5	–	–	–	–	39,995
Translation differences on consolidation	–	–	10,117	8,326	45,168	(1,802)	68	1,953	–	63,830
At 31 December 2020	–	1,019,482	479,171	1,623,560	3,392,193	233,137	24,315	184,871	–	6,956,729
Carrying amounts										
At 1 January 2019	–	629,240	270,035	1,291,645	2,741,121	240,201	5,664	42,944	164,439	5,385,289
At 31 December 2019	75,158	546,525	289,927	1,185,864	2,459,430	252,365	10,084	51,656	998,500	5,869,509
At 31 December 2020	75,018	461,536	379,165	1,097,287	2,428,577	318,153	10,094	49,315	1,112,256	5,931,401

	Plant, equipment and machinery	Motor vehicles	Computers	Total
	$'000	$'000	$'000	$'000
Company				
Cost				
At 1 January 2019	255	774	2,012	3,041
Additions	388	–	2	390
Disposals	–	(428)	(8)	(436)
At 31 December 2019	643	346	2,006	2,995
Additions	–	–	507	507
Disposals	(71)	–	(48)	(119)
At 31 December 2020	572	346	2,465	3,383
Accumulated depreciation				
At 1 January 2019	238	660	1,952	2,850
Depreciation charge for the year	90	50	57	197
Disposals	–	(364)	(8)	(372)
At 31 December 2019	328	346	2,001	2,675
Depreciation charge for the year	82	–	95	177
Disposals	(66)	–	(48)	(114)
At 31 December 2020	344	346	2,048	2,738
Carrying amounts				
At 1 January 2019	17	114	60	191
At 31 December 2019	315	–	5	320
At 31 December 2020	228	–	417	645

Impairment loss

During the impairment review, the Group assesses whether the carrying amount of an asset exceeds its recoverable amount. At 31 December 2020, the Group recognised an impairment loss of $40.0 million (2019: nil) on certain property, plant and equipment due to lower recoverable amounts arising from changes in operations. The impairment loss was recognised in other operating expenses in the income statement.

4 INTANGIBLE ASSETS

	Goodwill on consolidation	Computer software and software development costs	Capital work-in-progress	Port and other operating rights	Other intangible assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Cost						
At 1 January 2019	553,942	178,582	53,885	1,692,479	34,239	2,513,127
Reclassifications	–	10,798	(138,045)	126,615	632	–
Additions	–	2,420	146,971	31,388	991	181,770
Acquisition of subsidiaries	–	–	–	532,970	58,734	591,704
Disposals	–	(911)	–	(13,304)	(88)	(14,303)
Disposal of a subsidiary	–	(2,031)	–	(198,018)	(104)	(200,153)
Transferred from property, plant and equipment	–	16,369	–	–	–	16,369
Translation differences on consolidation	(515)	(3,023)	(237)	(67,103)	(345)	(71,223)
At 31 December 2019	553,427	202,204	62,574	2,105,027	94,059	3,017,291
Reclassifications	–	16,833	(21,295)	–	4,462	–
Additions	–	3,365	53,041	410	1,041	57,857
Acquisition of subsidiaries	–	5,785	4,384	147,427	15,747	173,343
Disposals	–	(8,767)	–	(16,988)	(43,619)	(69,374)
Transferred from property, plant and equipment	–	5,632	–	–	–	5,632
Translation differences on consolidation	3,300	7,467	(57)	(53,699)	1,017	(41,972)
At 31 December 2020	556,727	232,519	98,647	2,182,177	72,707	3,142,777
Accumulated amortisation and impairment losses						
At 1 January 2019	69,336	128,746	–	166,766	8,093	372,941
Amortisation charge for the year	–	17,163	–	64,213	4,677	86,053
Acquisition of subsidiaries	–	–	–	–	38,119	38,119
Disposals	–	(840)	–	–	(88)	(928)
Disposal of a subsidiary	–	(1,367)	–	(22,234)	–	(23,601)
Translation differences on consolidation	(444)	(1,948)	–	(5,312)	(453)	(8,157)
At 31 December 2019	68,892	141,754	–	203,433	50,348	464,427
Amortisation charge for the year	–	18,865	–	81,514	12,440	112,819
Acquisition of subsidiaries	–	4,959	–	4,272	6,376	15,607
Disposals	–	(8,767)	–	–	(42,371)	(51,138)
Impairment loss	–	–	–	65,000	–	65,000
Transferred from property, plant and equipment	–	125	–	–	–	125
Translation differences on consolidation	709	4,725	–	(6,252)	997	179
At 31 December 2020	69,601	161,661	–	347,967	27,790	607,019
Carrying amounts						
At 1 January 2019	484,606	49,836	53,885	1,525,713	26,146	2,140,186
At 31 December 2019	484,535	60,450	62,574	1,901,594	43,711	2,552,864
At 31 December 2020	487,126	70,858	98,647	1,834,210	44,917	2,535,758

	Computer software and software development costs	Capital work-in-progress	Total
	$'000	$'000	$'000
Company			
Cost			
At 1 January 2019	4,314	14,664	18,978
Additions	85	15,602	15,687
Reclassifications	4,758	(4,758)	–
At 31 December 2019	9,157	25,508	34,665
Additions	–	11,105	11,105
Reclassifications	6,577	(6,577)	–
At 31 December 2020	15,734	30,036	45,770
Accumulated amortisation			
At 1 January 2019	4,305	–	4,305
Amortisation charge for the year	108	–	108
At 31 December 2019	4,413	–	4,413
Amortisation charge for the year	1,554	–	1,554
At 31 December 2020	5,967	–	5,967
Carrying amounts			
At 1 January 2019	9	14,664	14,673
At 31 December 2019	4,744	25,508	30,252
At 31 December 2020	9,767	30,036	39,803

Impairment testing for cash-generating units (CGUs) containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's port business in the country of operation, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. At 31 December 2020, the carrying amount of goodwill primarily relates to the Group's port business CGU in Belgium of $457.2 million (2019: $454.5 million). The remaining goodwill relates to the Group's port business CGUs in other countries.

The recoverable amounts of these port business CGUs were based on the value in use approach. They were determined by discounting the future cash flows generated from the continuing use of these CGUs. The cash flow projections were based on the financial budgets approved by management covering a five-year period and a further outlook based on the long-term nature of concession agreements.

Key assumptions include the expected growth in revenue, gross margin and discount rates. The pre-tax discount rate used for impairment testing of Belgium CGU was 7.3% (2019: 7.7%).

Judgement is required to determine key assumptions adopted in the cash flow projections and changes to the key assumptions can significantly affect these cash flow projections and therefore the results of the impairment tests.

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying amount of the Belgium CGU to materially exceed its recoverable amount.

Impairment loss

During the impairment review, the Group assesses whether the carrying amount of an asset exceeds its recoverable amount. At 31 December 2020, the Group recognised an impairment loss of $65.0 million (2019: nil) on certain port use rights due to lower recoverable amounts arising from weaker economic outlook. The impairment loss was recognised in other operating expenses in the income statement.

5 RIGHT-OF-USE ASSETS

	Leasehold land	Buildings	Wharves, hard-standing and roads	Plant, equipment and machinery	Floating crafts	Motor vehicles	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Cost								
Recognition of right-of-use assets on initial application of SFRS(I) 16	1,008,348	16,544	351,862	81,202	–	4,005	2,052	1,464,013
Additions	1,284	535	6,840	11,174	–	2,145	2,593	24,571
Acquisition of subsidiaries	63,888	–	–	1,385	–	–	–	65,273
Disposal of a subsidiary	(460,921)	–	(3,170)	(39,799)	–	–	(1,357)	(505,247)
Translation differences on consolidation	(28,594)	(60)	(11,791)	(1,730)	–	(168)	(33)	(42,376)
At 31 December 2019	584,005	17,019	343,741	52,232	–	5,982	3,255	1,006,234
Additions	5,786	1,793	558	18,776	–	1,231	2,469	30,613
Acquisition of subsidiaries	36,751	1,729	–	2,324	12,787	–	–	53,591
Disposals	(5,203)	(14,516)	(2,205)	(5,610)	–	(483)	(3)	(28,020)
Translation differences on consolidation	31,224	(145)	26,922	3,730	(682)	426	23	61,498
At 31 December 2020	652,563	5,880	369,016	71,452	12,105	7,156	5,744	1,123,916
Accumulated depreciation								
Recognition of right-of-use assets on initial application of SFRS(I) 16	–	–	1,278	31,648	–	–	547	33,473
Depreciation charge for the year	26,114	9,678	14,248	17,537	–	1,646	410	69,633
Acquisition of subsidiaries	–	–	–	249	–	–	–	249
Disposal of a subsidiary	(1,815)	–	(1,281)	(31,448)	–	–	(549)	(35,093)
Translation differences on consolidation	(205)	(14)	(195)	(479)	–	(20)	(6)	(919)
At 31 December 2019	24,094	9,664	14,050	17,507	–	1,626	402	67,343
Depreciation charge for the year	27,606	7,242	14,921	17,374	690	1,971	730	70,534
Acquisition of subsidiaries	2,155	310	–	1,542	701	–	–	4,708
Disposals	(157)	(14,516)	(2,185)	(5,435)	–	(302)	(3)	(22,598)
Translation differences on consolidation	2,186	(63)	1,655	1,918	(67)	187	9	5,825
At 31 December 2020	55,884	2,637	28,441	32,906	1,324	3,482	1,138	125,812
Carrying amounts								
At 1 January 2019	1,008,348	16,544	350,584	49,554	–	4,005	1,505	1,430,540
At 31 December 2019	559,911	7,355	329,691	34,725	–	4,356	2,853	938,891
At 31 December 2020	596,679	3,243	340,575	38,546	10,781	3,674	4,606	998,104

The leases run over various periods with some leases containing an option to renew the lease upon expiry. Lease terms are reviewed at renewal of leases.

The Group received rent concessions from its landlords mainly for concession leases as a result of the severe impact of the COVID-19 pandemic during the year. The Group applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions.

6 SUBSIDIARIES

	Company	
	2020	2019
	$'000	$'000
Equity investments, at cost	1,169,922	1,168,122
Loans to subsidiaries	9,853,757	10,517,757
	11,023,679	11,685,879
Impairment losses	(275,077)	(275,077)
	10,748,602	11,410,802

The loans to subsidiaries form part of the Company's net investments in these subsidiaries. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Company. Accordingly, these loans are stated at cost less accumulated impairment losses.

The loans are principally denominated in Singapore dollars, US dollars and Euro, and comprise:

(a) $1,780.1 million (2019: $1,756.9 million) loans bearing fixed interest rates ranging from 0.23% to 9.13% (2019: 0.43% to 9.88%) per annum; and

(b) $95.3 million (2019: $60.4 million) loans bearing floating interest rates ranging from 3.72% to 7.06% (2019: 2.10% to 7.21%) per annum and the interest rates repriced at intervals of 6 to 12 months.

The remaining loans to subsidiaries are interest-free.

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal place of business/ country of incorporation	Effective percentage held by the Group	
		2020	2019
		%	%
PSA Corporation Limited	Singapore	100	100
PSA Marine (Pte) Ltd	Singapore	100	100
PSA Antwerp N.V.	Belgium	100	100

7 ASSOCIATES

	Group	
	2020	2019
	$'000	$'000
Investments in associates	3,204,997	3,130,037
Loans to associates	7,128	7,128
	3,212,125	3,137,165
Impairment losses	(7,128)	(7,128)
	3,204,997	3,130,037

The loans to associates form part of the Group's net investments in these associates. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Group. Accordingly, these loans are stated at cost less accumulated impairment losses.

Details of significant associates are as follows:

Name of associate	Principal place of business/ country of incorporation	Effective percentage held by the Group	
		2020	2019
		%	%
Hutchison Port Holdings Limited	British Virgin Islands	20.0	20.0
Hutchison Ports Investments S.à r.l.	Luxembourg	20.0	20.0

The reconciliation of the SFRS(I) financial statements of the associates modified for fair value adjustments, with the carrying amounts of the investments in associates in the consolidated financial statements is as follows:

	Group	
	2020	2019
	$'000	$'000
At 1 January	3,130,037	3,100,546
Group's share of:		
- profit for the year	187,202	197,895
- other comprehensive income	55,694	(51,257)
- total comprehensive income	242,896	146,638
Dividends received during the year	(106,848)	(94,237)
Disposal during the year	(21,119)	-
Translation differences on consolidation	(39,969)	(22,910)
At 31 December	3,204,997	3,130,037

The Group's investments in associates relate mainly to its investment in Hutchison Port Holdings Limited and Hutchison Ports Investments S.à r.l.. The Group's share of contingent liabilities of the associates is $97.8 million (2019: $69.6 million).

8 JOINT VENTURES

	Group	
	2020	2019
	$'000	$'000
Investments in joint ventures	2,569,453	2,425,385
Loans to joint ventures	1,031,331	1,011,455
	3,600,784	3,436,840
Impairment losses	(23,808)	(23,808)
	3,576,976	3,413,032

The loans to joint ventures form part of the Group's net investments in these joint ventures. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Group. Accordingly, these loans are stated at cost less accumulated impairment losses.

The loans are principally denominated in US dollars and Euro, and comprised:

(a) $626.6 million (2019: $600.4 million) loans bearing fixed interest rates ranging from 6.00% to 10.00% (2019: 6.00% to 10.00%) per annum; and

(b) $395.9 million (2019: $402.2 million) loans bearing floating interest rates ranging from 0.42% to 5.94% (2019: 2.56% to 6.80%) per annum.

The remaining loans to joint ventures are interest-free.

Details of significant joint ventures are as follows:

Name of joint venture	Principal place of business/ country of incorporation	Effective percentage held by the Group	
		2020	2019
		%	%
DCT Gdansk S.A.	Republic of Poland	40.0	40.0
Mersin Uluslararasi Liman Isletmeciligi A.S.	Turkey	51.0	51.0
PSA Panama International Terminal, S.A.	Republic of Panama	42.5	42.5
Sociedad Puerto Industrial Aguadulce S.A.	Colombia	49.8	49.8
Tianjin Port Pacific International Container Terminal Co., Ltd.	People's Republic of China	49.0	49.0

The Group's share of commitments of the joint ventures was as follows:

	Group	
	2020	2019
	$'000	$'000
Capital commitments which have been authorised and contracted but not provided for in the financial statements	52,864	68,711

The Group does not have any individually material joint venture.

9 FINANCIAL ASSETS

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Equity investments at FVOCI	1,352,288	1,285,286	86,704	76,633
Equity investments at FVTPL	7,737	10,831	–	–
	1,360,025	1,296,117	86,704	76,633

10 OTHER NON-CURRENT ASSETS

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Loan to joint venture	1,139	5,282	–	–
Loan to a non-controlling shareholder of a subsidiary	9,800	–	–	–
Other receivables	188,389	192,369	12,648	17,664
Non-current portion of financial assets at amortised cost	199,328	197,651	12,648	17,664
Hedging instruments	940	38,996	–	17
Transferable corporate club memberships	1,737	1,544	–	–
	202,005	238,191	12,648	17,681

The loan to joint venture was denominated in Euro, unsecured, bore floating interest rate of 1% (2019: 1%) per annum and repayable by 2022.

The loan to a non-controlling shareholder of a subsidiary was denominated in Singapore Dollar, unsecured, bore fixed interest rate of 2.53% per annum and repayable by 2025.

11 DEFERRED TAX

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year were as follows:

	Provisions	Other items	Total
	$'000	$'000	$'000
Group			
Deferred tax assets			
At 1 January 2019	39,450	38,186	77,636
Disposal of a subsidiary	–	(300)	(300)
Recognised in income statement	251	2,130	2,381
Recognised in other comprehensive income	276	18	294
Translation differences on consolidation	(541)	(1,704)	(2,245)
At 31 December 2019	39,436	38,330	77,766
Acquisition of subsidiaries	1,098	53	1,151
Recognised in income statement	3,043	(550)	2,493
Recognised in other comprehensive income	45	942	987
Translation differences on consolidation	790	2,012	2,802
At 31 December 2020	44,412	40,787	85,199

	Property, plant and equipment	Fair value reserve	Other items	Total
	$'000	$'000	$'000	$'000
Deferred tax liabilities				
At 1 January 2019	353,793	165,210	17,487	536,490
Acquisition of subsidiaries	–	–	2,751	2,751
Recognised in income statement	(57,928)	–	(6,462)	(64,390)
Recognised in other comprehensive income	–	60,228	(164)	60,064
Translation differences on consolidation	(424)	–	444	20
At 31 December 2019	295,441	225,438	14,056	534,935
Acquisition of subsidiaries	8,981	–	2,687	11,668
Recognised in income statement	(10,950)	–	4,408	(6,542)
Recognised in other comprehensive income	–	(1,239)	3,857	2,618
Translation differences on consolidation	766	–	307	1,073
At 31 December 2020	294,238	224,199	25,315	543,752

Deferred tax assets and liabilities of the Company were attributable to the following:

	Company	
	2020	2019
	$'000	$'000
Deferred tax assets		
Provisions	4,594	4,232
Deferred tax liabilities		
Property, plant and equipment	1,743	266
Unremitted income	4,363	1,750
Other items	8,452	2,130
	14,558	4,146

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting were included in the statements of financial position as follows:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Deferred tax assets	39,349	38,015	–	86
Deferred tax liabilities	497,902	495,184	9,964	–

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of tax losses amounting to $235.2 million (2019: $182.7 million). The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of these tax losses because there is no indication that future taxable profit will be available against which the respective subsidiaries of the Group can utilise the benefits.

12 TRADE AND OTHER RECEIVABLES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Trade and accrued receivables	13	653,915	546,651	–	–
Deposits and other receivables	14	166,947	172,821	13,242	15,021
Amounts due from:					
Subsidiaries		–	–	167,390	126,528
Associates		77	57	–	–
Joint ventures		139,495	139,348	16,595	10,517
Related corporations		–	60	–	–
Loan to joint venture		4,556	4,225	–	–
Current portion of financial assets at amortised cost		964,990	863,162	197,227	152,066
Advances and prepayments		48,340	38,148	3,047	981
Hedging instruments		67,231	5,296	–	3,808
		1,080,561	906,606	200,274	156,855

The amounts due from subsidiaries, associates, joint ventures and related corporations were unsecured, interest-free and repayable on demand. The loan to joint venture was denominated in Euro, unsecured, bore floating interest rate of 1% (2019: 1%) per annum and repayable in one year.

13 TRADE AND ACCRUED RECEIVABLES

	Group 2020 $'000	Group 2019 $'000
Trade and accrued receivables	767,651	641,958
Allowance for impairment	(113,736)	(95,307)
	653,915	546,651

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's internationally dispersed customers. Due to the nature of the Group's business, credit risk is not concentrated in any specific geographical region but concentrated in companies exposed to business cyclical fluctuations that are commonly found in the shipping industry. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional allowance beyond amounts provided for collection losses is required.

14 DEPOSITS AND OTHER RECEIVABLES

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Deposits	8,336	5,797	–	–
Other receivables	158,611	167,024	13,242	15,021
	166,947	172,821	13,242	15,021

15 CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Cash at bank and in hand	1,560,394	403,656	979,769	28,917
Fixed deposits	2,836,570	2,784,417	1,831,607	1,979,396
	4,396,964	3,188,073	2,811,376	2,008,313

At the reporting date, cash and cash equivalents for the Group include $882.0 million (2019: $595.8 million) cash from subsidiaries pooled together under a sweeping arrangement and managed centrally by the Company in bank balances and fixed deposits as part of the Group's cash management and treasury activities. These balances are not presented as part of the bank balance of the Company.

16 SHARE CAPITAL

	Company	
	2020 No. of shares	2019 No. of shares
	'000	'000
Issued and fully-paid, with no par value:		
At 1 January and 31 December	607,372	607,372

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Group defines capital as share capital and all components of equity. The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There were no changes to the Group's approach to capital management during the year.

Certain subsidiaries within the Group are subject to externally imposed capital requirements as required by law. These subsidiaries have complied with the requirements during the financial year. The Company and the rest of its subsidiaries are not subject to any externally imposed capital requirements.

17 ACCUMULATED PROFITS AND OTHER RESERVES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Capital reserve	(a)	2,212	20,036	–	–
Insurance reserve	(b)	97,357	97,357	–	–
Foreign currency translation reserve	(c)	(976,352)	(1,093,028)	–	–
Hedging reserve	(d)	(17,167)	(6,215)	(6,931)	480
Fair value reserve	(e)	(218,095)	(323,977)	(37,587)	(47,658)
Accumulated profits		12,342,833	11,676,052	9,287,496	8,763,385
		11,230,788	10,370,225	9,242,978	8,716,207

(a) Capital reserve

The capital reserve comprises the Group's share of capital reserve of associates and joint ventures.

(b) Insurance reserve

The insurance reserve relates to a sum transferred from the former Port of Singapore Authority to PSA Corporation Limited in 1997 as part of the vesting of property, rights and liabilities. This reserve is to cover potential past liabilities and for funding future potential liabilities in relation to the port related activities undertaken by PSA Corporation Limited.

(c) Foreign currency translation reserve

The foreign currency translation reserve comprises:

(i) all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company;

(ii) the effective portion of the cumulative net change in fair value of foreign currency loans used to hedge the Group's net investment in foreign operations;

(iii) foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations;

(iv) the Group's share of foreign currency translation reserve of associates and joint ventures; and

(v) changes in the equity of foreign operations as a result of adjusting non-monetary assets and liabilities and equity balances for hyperinflation (inflation adjustment).

(d) Hedging reserve

The hedging reserve comprises:

(i) the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred; and

(ii) the Group's share of hedging reserve of associates and joint ventures.

(e) Fair value reserve

The fair value reserve comprises:

(i) the cumulative net changes in the fair values of equity investments at FVOCI until the investments are derecognised; and

(ii) the Group's share of fair value reserve of associates and joint ventures.

18 BORROWINGS AND LEASE LIABILITIES

	Note	Group 2020	Group 2019	Company 2020	Company 2019
		$'000	$'000	$'000	$'000
Borrowings					
Unsecured fixed and floating rates notes		2,838,342	2,179,081	170,572	845,770
Secured bank loans		183,047	807,484	–	–
Unsecured bank loans		1,025,565	1,073,374	–	–
Loans from joint venture		147,831	63,755	–	–
Loans from non-controlling shareholders of subsidiaries		9,555	9,555	–	–
Unsecured loan from subsidiary		–	–	1,365,324	1,333,581
Non-current borrowings		4,204,340	4,133,249	1,535,896	2,179,351
Unsecured fixed and floating rates notes		661,802	572,996	661,802	172,996
Secured bank loans		700,886	60,870	–	–
Unsecured bank loans		859,559	1,192,077	244,080	518,287
Loans from joint venture		2,278	2,113	–	–
Current borrowings		2,224,525	1,828,056	905,882	691,283
		6,428,865	5,961,305	2,441,778	2,870,634
Total borrowings comprise:					
Total unsecured fixed and floating rates notes		3,500,144	2,752,077	832,374	1,018,766
Total secured bank loans	(a)	883,933	868,354	–	–
Total unsecured bank loans		1,885,124	2,265,451	244,080	518,287
Total loans from joint venture	(b)	150,109	65,868	–	–
Total loans from non-controlling shareholders of subsidiaries	(c)	9,555	9,555	–	–
Total unsecured loan from subsidiary		–	–	1,365,324	1,333,581
		6,428,865	5,961,305	2,441,778	2,870,634
Lease liabilities					
Non-current lease liabilities		1,062,473	990,360	–	–
Current lease liabilities		58,190	54,902	–	–
		1,120,663	1,045,262	–	–

(a) Secured bank loans

The loans were secured by mortgages on the borrowing subsidiaries' property, plant and equipment and port use rights with a carrying amount of $1,752.0 million (2019: $1,630.3 million).

(b) Loans from joint venture

The loans from joint venture were denominated in Euro, unsecured and bore floating interest rates. Interest rates repriced at intervals of three months.

(c) Loans from non-controlling shareholders of subsidiaries

The loans from non-controlling shareholders were unsecured and bore floating interest rates. Interest rates repriced at intervals of three months.

Terms and debt repayment schedule

The terms and conditions of outstanding borrowings and lease liabilities were as follows:

	Effective interest rate	Year of maturity	2020 Face value	2020 Carrying amount	2019 Face value	2019 Carrying amount
	%		$'000	$'000	$'000	$'000
Group						
Unsecured fixed and floating rates notes	1.63 - 4.27	2021 - 2030	3,516,655	3,500,144	2,784,255	2,752,077
Secured bank loans	1.50 - 7.55	2021 - 2036	883,933	883,933	868,354	868,354
Unsecured bank loans	0.17 - 3.88	2021 - 2025	1,886,408	1,885,124	2,265,907	2,265,451
Loans from joint venture	0.62 - 1.50	2022	150,109	150,109	65,868	65,868
Loans from non-controlling shareholders of subsidiaries	0.55 - 1.88	2027	9,555	9,555	9,555	9,555
			6,446,660	6,428,865	5,993,939	5,961,305
Lease liabilities	0.44 - 17.60	2021 - 2051	1,667,287	1,120,663	1,578,365	1,045,262
Company						
Unsecured fixed and floating rates notes	3.88 - 4.27	2021 - 2025	832,550	832,374	1,095,050	1,018,766
Unsecured bank loans	0.43	2021	244,080	244,080	518,287	518,287
Unsecured loan from subsidiary	2.27 - 2.34	2026 - 2030	1,365,324	1,365,324	1,333,581	1,333,581
			2,441,954	2,441,778	2,946,918	2,870,634

Reconciliation of movements of borrowings and lease liabilities to cash flows arising from financing activities

	Borrowings	Lease liabilities	Total
	$'000	$'000	$'000
At 1 January 2019	5,828,688	1,533,702	7,362,390
Changes from financing cash flows			
- Proceeds from bank loans and notes	2,298,462	–	2,298,462
- Repayment of bank loans and notes	(1,944,468)	–	(1,944,468)
- Proceeds from loans from joint venture	151	–	151
- Payment of lease liabilities	–	(58,280)	(58,280)
- Interest paid	–	(40,575)	(40,575)
Total changes from financing cash flows	354,145	(98,855)	255,290
Addition of new leases	–	24,831	24,831
Acquisition of subsidiaries	53,269	64,659	117,928
Disposal of a subsidiary	(235,014)	(473,657)	(708,671)
Interest expenses	–	40,955	40,955
Amortisation of loan facilities upfront fees	2,730	–	2,730
Changes in fair value	(572)	–	(572)
Effect of changes in foreign exchange rates	(41,941)	(46,373)	(88,314)
At 31 December 2019	5,961,305	1,045,262	7,006,567

	Borrowings $'000	Lease liabilities $'000	Total $'000
At 1 January 2020	5,961,305	1,045,262	7,006,567
Changes from financing cash flows			
- Proceeds from bank loans and notes	2,532,505	–	2,532,505
- Repayment of bank loans and notes	(2,186,135)	–	(2,186,135)
- Proceeds from loans from joint venture	81,360	–	81,360
- Repayment of loans from joint venture	(2,278)	–	(2,278)
- Payment of lease liabilities	–	(62,655)	(62,655)
- Interest paid	–	(41,888)	(41,888)
Total changes from financing cash flows	425,452	(104,543)	320,909
Addition of new leases	–	25,399	25,399
Acquisition of subsidiaries	8,621	48,529	57,150
Interest expenses	–	40,542	40,542
Amortisation of loan facilities upfront fees	2,600	–	2,600
Changes in fair value	178	–	178
Effect of changes in foreign exchange rates	30,709	65,474	96,183
At 31 December 2020	6,428,865	1,120,663	7,549,528

Total cash outflow for all the leases in 2020 was $119.8 million (2019: $116.5 million).

19 PROVISIONS

This comprises site restoration provisions made by subsidiaries to restore their leased sites to original condition by the end of the lease terms.

20 OTHER NON-CURRENT OBLIGATIONS

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Hedging instruments	36,433	8,312	29,661	7,326
Amount due to joint venture	3,176	4,310	–	–
Loan from a subsidiary	–	–	234,770	151,233
Loan from a joint venture	234,770	151,233	–	–
Service concession obligations	104,538	111,424	–	–
Other non-current obligations	72,162	65,974	–	–
	451,079	341,253	264,431	158,559

The loans from a subsidiary and a joint venture are denominated in US dollars, unsecured, interest-free and due in 2025 to 2027.

21 TRADE AND OTHER PAYABLES

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Trade payables and accrued operating expenses		1,055,530	917,171	89,542	86,425
Deposits and other payables	22	315,381	271,362	19,571	24,080
Amounts due to:					
Subsidiaries		–	–	674,663	686,812
Joint ventures		49,141	44,226	–	–
Related corporations		1,041	1,712	–	–
Other financial liabilities at amortised cost		1,421,093	1,234,471	783,776	797,317
Advances		40,719	58,710	199	148
Hedging instruments		2,697	1,076	308	–
		1,464,509	1,294,257	784,283	797,465

The amounts due to subsidiaries, joint ventures and related corporations were unsecured, interest-free and repayable on demand.

22 DEPOSITS AND OTHER PAYABLES

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Deposits	9,037	8,295	–	–
Accrued capital expenditure	84,130	70,303	–	–
Other payables	222,214	192,764	19,571	24,080
	315,381	271,362	19,571	24,080

The Group's and the Company's other payables included interest payable of $47.7 million (2019: $54.9 million) and $18.1 million (2019: $22.8 million) respectively and other sundry creditors.

23 REVENUE

This comprises revenue from container handling, marine services, operation of multi-purpose terminals, warehousing and logistics related services, software development and IT related services, consultancy fees but excludes intra-group transactions. Payment is due when services are provided to customer. Disaggregation of revenue is presented in Note 30.

24 OTHER INCOME

	Group	
	2020	2019
	$'000	$'000
Dividend income from financial assets	38,100	56,530
Interest income from:		
Cash and bank balances	39,060	68,929
Joint ventures	62,870	67,528
Trade and other receivables	6,703	7,640
Gain on disposal of:		
Financial assets	175	589
Joint ventures	50,749	–
Property, plant and equipment, net	4,890	10,976
Subsidiary	–	19,310
Net change in fair value of equity investment at FVTPL	426	6,201
Others	21,291	38,152
	224,264	275,855

25 STAFF AND RELATED COSTS

	Group	
	2020	2019
	$'000	$'000
Wages and salaries	909,962	932,704
Contributions to defined contribution plans	103,925	104,435
	1,013,887	1,037,139

Various government grants were received to help business deal with the impact of COVID-19. Government grant income in relation to temporary wage support schemes is deducted against staff and related costs.

26 SERVICE CONCESSION

Service concession revenue represents the fair value of the construction services provided. No margin has been recognised as the Group believes that the fair value of the construction services approximates the construction costs.

27 PROFIT FROM OPERATIONS

Profit from operations included the following items:

	Group	
	2020	2019
	$'000	$'000
Allowance for impairment on trade receivables	17,956	24,952
Impairment loss of:		
Intangible assets	65,000	–
Property, plant and equipment	39,995	–
Loss on disposal of:		
Intangible assets	1,731	1,472
Exchange loss, net	9,386	3,470
Expenses relating to:		
Short-term leases	9,325	12,276
Leases of low-value assets, excluding short-term leases of low-value assets	1,694	595
Variable lease payments not included in the measurement of lease liabilities	4,204	4,761

28 FINANCE COSTS

	Group	
	2020	2019
	$'000	$'000
Interest expense in relation to:		
Banks and other financial institutions	95,742	108,542
Fixed and floating rates notes holders	95,685	104,371
Lease liabilities	40,542	40,955
Service concession obligations	7,227	8,557
Non-controlling shareholders of subsidiaries	118	239
	239,314	262,664

29 INCOME TAX EXPENSE

	Group	
	2020	2019
	$'000	$'000
Current tax expense		
Current year	233,151	272,360
Over provided in prior years	(2,609)	(8,493)
	230,542	263,867
Deferred tax expense		
Movements in temporary differences	(17,105)	(67,386)
Under provided in prior years	8,070	615
	(9,035)	(66,771)
Income tax expense	221,507	197,096

Tax reconciliation

	2020 $'000	2019 $'000
Profit before income tax	1,412,742	1,462,544
Share of profit of associates, net of tax	(187,202)	(197,895)
Share of profit of joint ventures, net of tax	(174,249)	(157,962)
Profit before income tax excluding share of profit of associates and joint ventures, net of tax	1,051,291	1,106,687
Tax calculated using Singapore tax rate of 17% (2019: 17%)	178,719	188,137
Effect of different tax rates in other countries	3,249	2,153
Tax rebates and incentives	(14,890)	(19,515)
Income not subject to tax	(48,896)	(30,370)
Expenses not deductible for tax purposes	63,263	39,811
Change in unrecognised tax benefits	15,678	12,867
Withholding tax	18,923	11,891
Under/(over) provided in prior years	5,461	(7,878)
Income tax expense	221,507	197,096

30 OPERATING SEGMENTS

The Group is organised into business units based on their services and has two main reportable operating segments as follows:

- Port business: The provision of container handling, operation of multi-purpose terminals and other port related services.
- Marine business: The provision of marine services.

Other businesses are not significant and are therefore presented in aggregate as "others".

The Executive Committee and Senior Management Council of the Company monitor the operating results of the business units separately for the purpose of making strategic decisions. Performance is measured based on segment operating profit which includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis. Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Information about reportable segments

	Port business $'000	Marine business $'000	Others $'000	Total reportable segments $'000
Group				
31 December 2020				
Revenue				
Total revenue	3,769,675	318,012	108,641	4,196,328
Inter-segment revenue	(8,765)	(6,256)	(2,369)	(17,390)
External revenue	3,760,910	311,756	106,272	4,178,938
Operating profit	1,189,700	87,712	1,447	1,278,859
Material item				
Depreciation and amortisation	695,715	45,418	5,128	746,261
Segment assets	10,036,704	551,965	136,788	10,725,457
Segment liabilities	1,666,497	62,875	30,353	1,759,725
31 December 2019				
Revenue				
Total revenue	3,697,963	287,657	110,757	4,096,377
Inter-segment revenue	(8,491)	(7,609)	(2,826)	(18,926)
External revenue	3,689,472	280,048	107,931	4,077,451
Operating profit	1,124,167	88,738	(5,284)	1,207,621
Material item				
Depreciation and amortisation	681,914	33,879	3,435	719,228
Segment assets	10,024,811	359,980	120,189	10,504,980
Segment liabilities	1,435,504	61,100	27,795	1,524,399

The capital expenditure for port and marine business segments was $540.8 million (2019: $1,138.0 million) and $31.7 million (2019: $51.4 million) respectively.

Reconciliations of reportable segment operating profit, assets and liabilities

	Group	
	2020	2019
	$'000	$'000
Operating profit		
Operating profit for reportable segments	1,278,859	1,207,621
Corporate expenses	(98,137)	(110,655)
Other income	224,264	275,855
Impairment loss of intangible assets	(65,000)	–
Impairment loss of property, plant and equipment	(39,995)	–
Exchange loss, net	(9,386)	(3,470)
Share of profit of associates, net of tax	187,202	197,895
Share of profit of joint ventures, net of tax	174,249	157,962
Finance costs	(239,314)	(262,664)
Profit before income tax	1,412,742	1,462,544
Segment assets		
Segment assets for reportable segments	10,725,457	10,504,980
Associates	3,204,997	3,130,037
Joint ventures	3,576,976	3,413,032
Cash and bank balances	4,396,964	3,188,073
Financial assets	1,360,025	1,296,117
Deferred tax assets	39,349	38,015
Hedging instruments	68,171	44,292
	23,371,939	21,614,546
Segment liabilities		
Segment liabilities for reportable segments	1,759,725	1,524,399
Corporate liabilities	127,357	112,459
Borrowings	6,428,865	5,961,305
Lease liabilities	1,120,663	1,045,262
Current tax payable	272,081	247,266
Deferred tax liabilities	497,902	495,184
Hedging instruments	39,130	9,388
	10,245,723	9,395,263

Geographical information

The Group operates principally in Southeast Asia, Europe, Mediterranean and The Americas and Rest of Asia. Segment revenue is based on geographical location of the operations. Segment assets are based on the geographical location of the assets. Non-current assets presented consist of property, plant and equipment, intangible assets, right-of-use assets and other non-current assets.

	Group	
	2020	2019
	$'000	$'000
Revenue		
Southeast Asia	2,834,840	2,889,111
Europe, Mediterranean and The Americas	968,142	824,173
Rest of Asia	375,956	364,167
	4,178,938	4,077,451
Non-current assets		
Southeast Asia	4,864,685	4,924,809
Europe, Mediterranean and The Americas	3,003,717	2,663,438
Rest of Asia	1,798,866	2,011,208
	9,667,268	9,599,455

Revenue and non-current assets included $2,834.4 million (2019: $2,887.2 million) and $4,864.7 million (2019: $4,924.8 million) respectively from Singapore.

31 FINANCIAL RISK MANAGEMENT

Overview

Risk management is integral to the whole business of the Group. Exposure to credit, liquidity and market risks (including interest rate, currency and price risks) arises in the normal course of the Group's business. The Group has written risk management policies and guidelines. In addition, the Group has established processes to monitor and manage major exposures. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving hedging instruments are allowed only with counterparties that are of certain credit standing.

At 31 December 2020, there was no significant concentration of credit risk. The maximum exposure to credit risk was represented by the carrying amounts of each financial asset, including hedging instruments, in the statements of financial position. The Group entities use varied methods including past due information to assess its exposure to credit risk which takes into account the risk characteristics of the customers.

A summary of these entities' exposure to credit risk for trade and accrued receivables as at 31 December are as follows:

	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
31 December 2020			
Not past due	450,715	(1,040)	No
Past due less than 30 days	97,505	(607)	No
Past due 30 - 120 days	79,044	(1,896)	No
Past due more than 120 days	140,387	(110,193)	Yes
	767,651	(113,736)	
31 December 2019			
Not past due	384,101	(465)	No
Past due less than 30 days	105,575	(367)	No
Past due 30 - 120 days	64,739	(7,539)	No
Past due more than 120 days	87,543	(86,936)	Yes
	641,958	(95,307)	

Movements in allowance for impairment

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group Lifetime ECL $'000
At 1 January 2019	70,744
Allowance for impairment	24,952
Amounts written off	(263)
Acquisition of subsidiaries	113
Translation differences on consolidation	(239)
At 31 December 2019	95,307
Allowance for impairment	17,956
Amounts written off	(518)
Acquisition of subsidiaries	520
Translation differences on consolidation	471
At 31 December 2020	113,736

Except for the impaired receivables, no allowance for impairment is considered necessary in respect of the remaining trade receivables, including those receivables that are past due, as the Group believes that the amounts are still collectible, based on historical payment patterns and good credit records maintained by the customers. The Group considers its other financial assets to have low credit risk and the amount of the allowance on other financial assets is not significant.

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing guarantees on behalf of.

At 31 December 2020, the Company has issued guarantees on behalf of its subsidiaries and joint ventures which amounted to $26.4 million (2019: $29.6 million). These guarantees would become immediately payable by the Company in the event of default by these subsidiaries and joint ventures.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The following are the expected contractual undiscounted cash inflows/(outflows) of non-derivative financial liabilities and hedging instruments, including interest payments and excluding the impact of netting agreements:

			Cash flows		
	Carrying amounts	Contractual cash flows	Within 1 year	Between 1 and 5 years	After 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
31 December 2020					
Non-derivative financial liabilities					
Interest-bearing liabilities	6,269,201	(6,812,850)	(2,284,857)	(1,470,230)	(3,057,763)
Lease liabilities	1,120,663	(1,664,435)	(98,098)	(324,220)	(1,242,117)
Loans from joint venture	150,109	(151,960)	(3,215)	(148,745)	–
Loans from non-controlling shareholders of subsidiaries	9,555	(9,940)	(77)	(308)	(9,555)
Trade and other payables	1,421,093	(1,421,093)	(1,421,093)	–	–
Hedging instruments					
- Assets	(68,171)				
Inflow		688,581	651,186	37,395	–
Outflow		(631,067)	(595,557)	(35,510)	–
- Liabilities	39,130				
Inflow		1,083,459	312,222	503,188	268,049
Outflow		(1,115,614)	(315,226)	(525,712)	(274,676)
	8,941,580	(10,034,919)	(3,754,715)	(1,964,142)	(4,316,062)
31 December 2019					
Non-derivative financial liabilities					
Interest-bearing liabilities	5,885,882	(6,381,471)	(1,959,141)	(2,803,953)	(1,618,377)
Lease liabilities	1,045,262	(1,578,365)	(94,087)	(297,948)	(1,186,330)
Loans from joint venture	65,868	(68,456)	(3,067)	(64,458)	(931)
Loans from non-controlling shareholders of subsidiaries	9,555	(10,482)	(185)	(742)	(9,555)
Trade and other payables	1,234,471	(1,234,471)	(1,234,471)	–	–
Hedging instruments					
- Assets	(44,292)				
Inflow		1,573,447	538,381	1,035,066	–
Outflow		(1,534,429)	(496,535)	(1,037,894)	–
- Liabilities	9,388				
Inflow		434,664	91,303	63,900	279,461
Outflow		(439,412)	(92,515)	(65,371)	(281,526)
	8,206,134	(9,238,975)	(3,250,317)	(3,171,400)	(2,817,258)

	Carrying amounts	Contractual cash flows	Cash flows Within 1 year	Between 1 and 5 years	After 5 years
	$'000	$'000	$'000	$'000	$'000
Company					
31 December 2020					
Non-derivative financial liabilities					
Interest-bearing liabilities	2,441,778	(2,794,841)	(949,472)	(326,675)	(1,518,694)
Trade and other payables	783,776	(783,776)	(783,776)	–	–
Hedging instruments					
- Liabilities	29,969				
Inflow		648,368	116,029	264,290	268,049
Outflow		(670,985)	(115,209)	(281,100)	(274,676)
	3,255,523	(3,601,234)	(1,732,428)	(343,485)	(1,525,321)
31 December 2019					
Non-derivative financial liabilities					
Interest-bearing liabilities	2,870,634	(3,199,914)	(760,809)	(837,406)	(1,601,699)
Trade and other payables	797,317	(797,317)	(797,317)	–	–
Hedging instruments					
- Assets	(3,825)				
Inflow		474,496	463,873	10,623	–
Outflow		(468,472)	(465,760)	(2,712)	–
- Liabilities	7,326				
Inflow		313,131	6,734	26,936	279,461
Outflow		(315,815)	(6,869)	(27,420)	(281,526)
	3,671,452	(3,993,891)	(1,560,148)	(829,979)	(1,603,764)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and fuel prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's interest-earning financial assets and interest-bearing financial liabilities. The Group's objective is to maintain a balance of fixed and floating rate exposures as well as a balanced maturity period. At the reporting date, the interest rate profile of the interest-bearing financial assets and liabilities was:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Fixed rate				
Cash and bank balances	2,836,570	2,784,417	1,831,607	1,979,396
Borrowings	(3,714,973)	(2,956,453)	(2,197,698)	(2,352,347)
Lease liabilities	(1,120,663)	(1,045,262)	–	–
	(1,999,066)	(1,217,298)	(366,091)	(372,951)
Floating rate				
Cash and bank balances	1,560,394	403,656	979,769	28,917
Borrowings	(2,713,892)	(3,004,852)	(244,080)	(518,287)
	(1,153,498)	(2,601,196)	735,689	(489,370)

Hedging

The Group has raised funding with issuance of debt capital market instruments and bank loans to diversify funding sources. Interest rate swaps have been entered to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy.

Cash flow hedge

A portion of the floating rate bank loans amounting to $630.0 million (2019: $630.0 million) have been hedged against the exposure to market fluctuations in interest rate payments. In connection with these loans, the Group entered into cross currency swap contracts to receive variable rate interest and pay fixed rate on the notional amounts. Both the floating rate bank loans and cross currency swaps have the same terms and conditions. The net fair value of the swaps as at 31 December 2020 comprises assets of $65.3 million (2019: $37.9 million). The weighted average interest rate of the swaps as at 31 December 2020 ranged from 7.52% to 9.03% (2019: 7.52% to 9.03%) and the SGD:INR forward exchange rate as at 31 December 2020 ranged from 45.22 to 53.40 (2019: 45.22 to 53.40). The swaps will mature in 2021. Reclassification adjustments are recorded in finance income/cost.

Sensitivity analysis

At 31 December 2020, it is estimated that a general increase of 100bps in interest rates would decrease the Group's profit before tax by approximately $5.2 million (2019: $19.7 million). A general decrease of 100bps in interest rates would have the equal but opposite effect on the Group's profit before tax. The general increase or decrease of 100bps in interest rates would have no significant impact on the Group's other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

At 31 December 2020, it is estimated that a general increase of 100bps in interest rates would increase the Company's profit before tax by approximately $7.4 million (2019: decrease by approximately $4.9 million). A general decrease of 100bps in interest rates would have the equal but opposite effect on the Company's profit before tax. The general increase or decrease of 100bps in interest rates would have no significant impact on the Company's other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects.

(b) Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, bank deposits, bank loans and fixed and floating rates notes that are denominated in a currency other than the functional currencies of the Group entities. The functional currencies of the Group entities are primarily the Singapore dollar and the Euro. In respect of other monetary assets and liabilities held in currencies other than the functional currencies of the Group entities, the Group monitors the net exposure.

A portion of the Group and the Company's fixed rate bonds amounting to $264.7 million (2019: $269.4 million) has been hedged against the exposure to fluctuations in foreign currency. In connection with this, the Group and the Company entered into cross currency swap contracts to receive and pay fixed interest rate. Both the fixed rate bonds and foreign currency contracts have the same terms and conditions. The net fair value of the swaps as at 31 December 2020 comprises liabilities of $29.6 million (2019: $9.1 million). The weighted average SGD:USD forward exchange rate as at 31 December 2020 ranged from 0.73 to 0.74 (2019: 0.73 to 0.74). The swap will mature in 2026. Reclassification adjustments are recorded in finance income/cost.

The Group's US dollar and Hong Kong dollar denominated unsecured bank loans, fixed and floating rates notes amounting to $2.12 billion (2019: $2.07 billion) are designated as hedging instruments for the Group's investments in its associates.

The Group's (excluding the US dollar and Hong Kong dollar denominated unsecured bank loans, fixed and floating rates notes designated as hedging instruments for the Group's investments in its associates) and Company's significant exposures to foreign currencies were as follows:

	2020		2019	
	HK Dollar	US Dollar	HK Dollar	US Dollar
	$'000	$'000	$'000	$'000
Group				
Financial assets	516	335,432	516	296,734
Other non-current assets	–	133,590	–	134,847
Cash and bank balances	89,110	680,522	12,169	85,130
Trade and other receivables	856	110,751	–	85,797
Interest-bearing liabilities	–	(619,492)	–	(28,283)
Trade and other payables	(6,450)	(52,310)	(10,481)	(61,301)
	84,032	588,493	2,204	512,924
Company				
Financial assets	–	86,704	–	76,633
Loans to subsidiaries	–	1,009,406	–	990,659
Cash and bank balances	89,094	620,750	12,143	29,474
Interest-bearing liabilities	(170,572)	(2,027,126)	(345,838)	(1,878,563)
Trade and other payables	(6,450)	(10,791)	(10,481)	(10,107)
	(87,928)	(321,057)	(344,176)	(791,904)

Sensitivity analysis

At 31 December 2020, it is estimated that a 10% strengthening in the Singapore dollar against the Hong Kong dollar would decrease the Group's profit before tax by approximately $8.4 million (2019: $0.2 million) and decrease the Group's other comprehensive income by approximately $0.05 million (2019: $0.05 million). A 10% weakening in the Singapore dollar against the Hong Kong dollar would have the equal but opposite effect on the Group's profit before tax and other comprehensive income.

At 31 December 2020, it is estimated that a 10% strengthening in the Singapore dollar against the US dollar would decrease the Group's profit before tax by approximately $25.3 million (2019: $21.6 million) and decrease the Group's other comprehensive income by approximately $33.5 million (2019: $29.7 million). A 10% weakening in the Singapore dollar against the US dollar would have the equal but opposite effect on the Group's profit before tax and other comprehensive income.

At 31 December 2020, it is estimated that a 10% strengthening in the Singapore dollar against the Hong Kong dollar would increase the Company's profit before tax by approximately $8.8 million (2019: $34.4 million). A 10% weakening in the Singapore dollar against the Hong Kong dollar would have the equal but opposite effect on the Company's profit before tax.

At 31 December 2020, it is estimated that a 10% strengthening in the Singapore dollar against the US dollar would increase the Company's profit before tax by approximately $40.8 million (2019: $86.9 million) and decrease the Company's other comprehensive income by approximately $8.7 million (2019: $7.7 million). A 10% weakening in the Singapore dollar against the US dollar would have the equal but opposite effect on the Company's profit before tax and other comprehensive income.

This analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

(c) Equity price risk

Equity security price risk is the risk of changes in fair value of the Group's investments due to changes in the underlying equity securities prices. The risk is concentrated in the Group's investments in equity securities.

Sensitivity analysis

At 31 December 2020, it is estimated that a 10% increase in the underlying equity prices would increase the Group's profit before tax by approximately $0.8 million (2019: $1.1 million) and increase the Group's other comprehensive income by $135.2 million (2019: $128.5 million). A 10% decrease in the underlying equity prices would have the equal but opposite effect on the Group's profit before tax and other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

32 FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

(a) Quoted equity securities and trust units

Fair value is based on quoted bid prices at the reporting date, without any deduction for transaction costs.

(b) Hedging instruments

The fair value of interest rate swaps, cross currency swaps and fuel forward contracts is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(c) Fixed rate interest-bearing borrowings

Fair value is calculated based on quoted offer price or discounted expected future principal and interest cash flows using market interest rates.

(d) Floating rate interest-bearing borrowings

The Group believes that the carrying amounts of floating rate interest-bearing loans, which are repriced at least semi-annually, reflect the corresponding fair values.

(e) Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including cash and bank balances, trade and other receivables, trade and other payables, current borrowings) are assumed to approximate their fair values because of the short period to maturity.

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities are as follows:

	Note	Amortised cost	FVTPL – equity instruments	FVOCI – equity instruments	Fair value – hedging instruments	Other financial liabilities	Total carrying amounts
		$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2020							
Equity investments at FVOCI	9	–	–	1,352,288	–	–	1,352,288
Equity investments at FVTPL	9	–	7,737	–	–	–	7,737
Hedging instruments	10, 12	–	–	–	68,171	–	68,171
		–	7,737	1,352,288	68,171	–	1,428,196
Other non-current assets	10	188,389	–	–	–	–	188,389
Trade and other receivables	12	964,990	–	–	–	–	964,990
Cash and bank balances	15	4,396,964	–	–	–	–	4,396,964
		5,550,343	–	–	–	–	5,550,343
Hedging instruments	20, 21	–	–	–	(39,130)	–	(39,130)
Unsecured fixed and floating rates notes	18	–	–	–	–	(3,500,144)	(3,500,144)
Secured bank loans	18	–	–	–	–	(883,933)	(883,933)
Unsecured bank loans	18	–	–	–	–	(1,885,124)	(1,885,124)
Loans from joint venture	18	–	–	–	–	(150,109)	(150,109)
Loans from non-controlling shareholders of subsidiaries	18	–	–	–	–	(9,555)	(9,555)
Trade and other payables	21	–	–	–	–	(1,421,093)	(1,421,093)
		–	–	–	–	(7,849,958)	(7,849,958)
31 December 2019							
Equity investments at FVOCI	9	–	–	1,285,286	–	–	1,285,286
Equity investments at FVTPL	9	–	10,831	–	–	–	10,831
Hedging instruments	10, 12	–	–	–	44,292	–	44,292
		–	10,831	1,285,286	44,292	–	1,340,409
Other non-current assets	10	192,369	–	–	–	–	192,369
Trade and other receivables	12	863,162	–	–	–	–	863,162
Cash and bank balances	15	3,188,073	–	–	–	–	3,188,073
		4,243,604	–	–	–	–	4,243,604
Hedging instruments	20, 21	–	–	–	(9,388)	–	(9,388)
Unsecured fixed and floating rates notes	18	–	–	–	–	(2,752,077)	(2,752,077)
Secured bank loans	18	–	–	–	–	(868,354)	(868,354)
Unsecured bank loans	18	–	–	–	–	(2,265,451)	(2,265,451)
Loans from joint venture	18	–	–	–	–	(65,868)	(65,868)
Loans from non-controlling shareholders of subsidiaries	18	–	–	–	–	(9,555)	(9,555)
Trade and other payables	21	–	–	–	–	(1,234,471)	(1,234,471)
		–	–	–	–	(7,195,776)	(7,195,776)

	Note	Amortised cost	FVOCI – equity instruments	Fair value – hedging instruments	Other financial liabilities	Total carrying amounts
		$'000	$'000	$'000	$'000	$'000
Company						
31 December 2020						
Equity investments at FVOCI	9	–	86,704	–	–	86,704
Other non-current assets	10	12,648	–	–	–	12,648
Trade and other receivables	12	197,227	–	–	–	197,227
Cash and bank balances	15	2,811,376	–	–	–	2,811,376
		3,021,251	–	–	–	3,021,251
Hedging instruments	20, 21	–	–	(29,969)	–	(29,969)
Unsecured fixed and floating rates notes	18	–	–	–	(832,374)	(832,374)
Unsecured bank loans	18	–	–	–	(244,080)	(244,080)
Unsecured loan from subsidiary	18	–	–	–	(1,365,324)	(1,365,324)
Trade and other payables	21	–	–	–	(783,776)	(783,776)
		–	–	–	(3,225,554)	(3,225,554)
31 December 2019						
Equity investments at FVOCI	9	–	76,633	–	–	76,633
Hedging instruments	10, 12	–	–	3,825	–	3,825
		–	76,633	3,825	–	80,458
Other non-current assets	10	17,664	–	–	–	17,664
Trade and other receivables	12	152,066	–	–	–	152,066
Cash and bank balances	15	169,730	–	–	–	169,730
		339,460	–	–	–	339,460
Hedging instruments	20, 21	–	–	(7,326)	–	(7,326)
Unsecured fixed and floating rates notes	18	–	–	–	(1,018,766)	(1,018,766)
Unsecured bank loans	18	–	–	–	(518,287)	(518,287)
Unsecured loan from subsidiary	18	–	–	–	(1,333,581)	(1,333,581)
Trade and other payables	21	–	–	–	(797,317)	(797,317)
		–	–	–	(3,667,951)	(3,667,951)

As at 31 December 2020, the Group's fair value of unsecured fixed and floating rates notes was $3.7 billion (2019: $2.8 billion). The Company's fair values of unsecured fixed and floating rates notes and unsecured loan from subsidiary were $0.9 billion (2019: $1.0 billion) and $1.5 billion (2019: $1.4 billion) respectively. The fair values of other financial assets and liabilities approximate their carrying amounts.

Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and financial liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2020				
Equity instruments at FVOCI	1,158,551	–	193,737	1,352,288
Equity investments at FVTPL	–	–	7,737	7,737
Hedging instrument assets	–	68,171	–	68,171
	1,158,551	68,171	201,474	1,428,196
Hedging instrument liabilities	–	(39,130)	–	(39,130)
31 December 2019				
Equity instruments at FVOCI	1,125,050	–	160,236	1,285,286
Equity investments at FVTPL	3,519	–	7,312	10,831
Hedging instrument assets	–	44,292	–	44,292
	1,128,569	44,292	167,548	1,340,409
Hedging instrument liabilities	–	(9,388)	–	(9,388)
Company				
31 December 2020				
Equity instruments at FVOCI	86,704	–	–	86,704
Hedging instrument liabilities	–	(29,969)	–	(29,969)
31 December 2019				
Equity instruments at FVOCI	76,633	–	–	76,633
Hedging instrument assets	–	3,825	–	3,825
	76,633	3,825	–	80,458
Hedging instrument liabilities	–	(7,326)	–	(7,326)

Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed*

	Level 1	Level 2	Total
	$'000	$'000	$'000
Group			
31 December 2020			
Other non-current assets	–	188,389	188,389
Unsecured fixed and floating rates notes	–	(3,674,736)	(3,674,736)
Secured bank loans	–	(883,933)	(883,933)
Unsecured bank loans	–	(1,885,124)	(1,885,124)
Loans from joint venture	–	(150,109)	(150,109)
Loans from non-controlling shareholders of subsidiaries	–	(9,555)	(9,555)
	–	(6,603,457)	(6,603,457)
31 December 2019			
Other non-current assets	–	192,369	192,369
Unsecured fixed and floating rates notes	–	(2,778,702)	(2,778,702)
Secured bank loans	–	(868,354)	(868,354)
Unsecured bank loans	–	(2,265,451)	(2,265,451)
Loans from joint venture	–	(65,868)	(65,868)
Loans from non-controlling shareholders of subsidiaries	–	(9,555)	(9,555)
	–	(5,987,930)	(5,987,930)
Company			
31 December 2020			
Unsecured fixed and floating rates notes	–	(859,962)	(859,962)
Unsecured bank loans	–	(244,080)	(244,080)
Unsecured loan from subsidiary	–	(1,514,223)	(1,514,223)
	–	(2,618,265)	(2,618,265)
31 December 2019			
Unsecured fixed and floating rates notes	–	(1,047,496)	(1,047,496)
Unsecured bank loans	–	(518,287)	(518,287)
Unsecured loan from subsidiary	–	(1,395,367)	(1,395,367)
	–	(2,961,150)	(2,961,150)

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

33 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) *Acquisition of subsidiaries*

The Group acquired equity interests in subsidiaries in Peru and Italy during 2020 and mainly in Canada and America during 2019. The acquisition of the subsidiaries had no significant impact to the Group's net profit for the year. The effects of the acquisition on the financial position of the Group were as follows:

	Group	
	2020	2019
	$'000	$'000
Property, plant and equipment	99,524	150,331
Intangible assets	157,736	553,585
Right-of-use assets	48,883	65,024
Deferred tax assets	1,151	–
Other non-current assets	1,612	4,661
Cash and bank balances	1,197	3,353
Other current assets	40,847	21,009
Borrowings	(8,621)	(53,269)
Lease liabilities	(48,529)	(64,659)
Current tax payable	(3,964)	–
Deferred tax liabilities	(11,668)	(2,751)
Provisions	–	(1,176)
Other non-current obligations	(5,530)	(1,322)
Other current liabilities	(29,096)	(7,710)
Identifiable net assets	243,542	667,076
Less: Non-controlling interests	(14,876)	–
Total identifiable net assets	228,666	667,076
Less: Amounts previously accounted for as associate	(21,119)	–
Total consideration paid	207,547	667,076
Cash acquired, net of overdrafts of subsidiaries	(1,197)	(3,353)
Net cash outflow on acquisition of subsidiaries	206,350	663,723

(b) Disposal of subsidiary

The Group disposed equity interest in a subsidiary in Korea during 2019. The effects of the disposal on the financial position of the Group were as follows:

	Group 2019 $'000
Property, plant and equipment	149,922
Intangible assets	176,552
Right-of-use assets	470,154
Deferred tax assets	300
Cash and bank balances	74,594
Other current assets	26,976
Borrowings	(235,014)
Lease liabilities	(473,657)
Current liabilities	(35,145)
Net assets derecognised	154,682
Non-controlling interests	(21,312)
Reclassification of reserves	(6,214)
Accounted for as investments in joint ventures	(99,986)
Net assets disposed	27,170
Gain on disposal of subsidiaries	19,310
Total consideration in kind	(3,739)
Cash and bank balances disposed	(74,594)
Disposal of subsidiaries, net of cash disposed	(31,853)

34 COMMITMENTS

As at the reporting dates, the Group had the following commitments:

	Group	
	2020	2019
	$'000	$'000
Capital commitments which have been authorised and contracted but not provided for in the financial statements	973,444	1,257,834

35 RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors and Senior Management Council of the Company are considered as key management personnel of the Group.

The compensation paid or payable to key management personnel comprised:

	Group	
	2020	2019
	$'000	$'000
Directors' fees	2,399	4,230
Senior Management Council remuneration	21,051	19,787
	23,450	24,017

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties were as follows:

	Group	
	2020	2019
	$'000	$'000
Provision of services		
Related corporations	1,313	1,193
Joint ventures	74,061	62,487
Purchase of services		
Related corporations	(23,347)	(20,448)
Joint ventures	(145,302)	(137,203)

36 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. The Group has yet to assess the full impact of these standards and will apply these standards as and when they become effective.

37 SUBSEQUENT EVENTS

Subsequent to year end, the directors proposed a net final dividend of $0.33 per share amounting to $200 million in respect of the financial year ended 31 December 2020. The dividend has not been provided for in the financial statements.

On 1 February 2021, the Group completed the acquisition of majority stake in Ameya Logistics Private Limited which provides logistic services in India. The financial effect of this acquisition on the Group could not be reasonably estimated at the date of approval of these financial statements.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2019

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2019.

In our opinion:

(a) the financial statements set out on pages 45 to 107 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act (Chapter 50), Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Mr Peter Robert Voser	(Group Chairman)
Mr Tan Chong Meng	(Group Chief Executive Officer)
Ms Chan Lai Fung	
Mr Davinder Singh s/o Amar Singh	
Mr Frank Kwong Shing Wong	
Ms Jeanette Wong Kai Yuan	
Mr Kaikhushru Shiavax Nargolwala	
Mr Steven Terrell Clontz	
Mr Tommy Thomsen	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act (Chapter 50), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Chan Lai Fung		
Singapore Telecommunications Limited		
– Ordinary shares	1,550	1,550
Davinder Singh s/o Amar Singh		
Singapore Airlines Limited		
– S$500 million 3.22% Notes due 2020	S$500,000	S$500,000
Singapore Technologies Engineering Ltd		
– Ordinary shares	83,337	83,337
Singapore Telecommunications Limited		
– Ordinary shares	1,800	1,800

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Frank Kwong Shing Wong		
Mapletree North Asia Commercial Trust Management Ltd.		
- Unit holdings in Mapletree North Asia Commercial Trust	2,369,000[1]	2,369,000[1]
Jeanette Wong Kai Yuan		
CapitaLand Limited		
- Ordinary shares	N.A.[2]	15,000
Singapore Airlines Limited		
- Ordinary shares	6,600	6,600
Singapore Technologies Engineering Ltd		
- Ordinary shares	10,000	10,000
Singapore Telecommunications Limited		
- Ordinary shares	17,821	17,821
Kaikhushru Shiavax Nargolwala		
Ascendas Funds Management (S) Limited		
- Unit holdings in Ascendas Real Estate Investment Trust	140,000[1]	162,400[1]
CapitaLand Commercial Trust Management Limited		
- Unit holdings in CapitaLand Commercial Trust	N.A.[2]	100,000[1]
CapitaLand Mall Trust Management Limited		
- Unit holdings in CapitaLand Mall Trust	N.A.[2]	100,000[1]
Mapletree Industrial Trust Management Ltd.		
- Unit holdings in Mapletree Industrial Trust	200,000[1]	200,000[1]
Mapletree Logistics Trust Management Ltd.		
- Unit holdings in Mapletree Logistics Trust	300,000[1]	300,000[1]
Mapletree Real Estate Advisors Pte. Ltd.		
- Unit holdings in Mapletree Global Student Accommodation Private Trust	4,608[3]	4,608[3]
SIA Engineering Company Limited		
- Ordinary shares	50,000[1]	50,000[1]
Singapore Technologies Engineering Ltd		
- Ordinary shares	45,000[1]	62,000[1]
Singapore Telecommunications Limited		
- Ordinary shares	556,000[1]	556,000[1]
Steven Terrell Clontz		
StarHub Ltd.		
- Ordinary shares	143,600	199,300

[1] Held in trust by trustee company on behalf of the director.
[2] Became a related corporation during the financial year.
[3] Held in trust by trustee company on behalf of the director and consists of 2,304 Class A and 2,304 Class B units respectively.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT
YEAR ENDED 31 DECEMBER 2019

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Peter Robert Voser
Director

Tan Chong Meng
Director

28 February 2020

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2019

Member of the Company
PSA International Pte Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PSA International Pte Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2019, and the income statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 45 to 107.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act), Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the current period. 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.

Impairment assessment of goodwill ($484.5 million)
(Refer to notes 2.1, 2.7 and 4 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
The Group has goodwill for which SFRS(I) 1-36 *Impairment of Assets* requires at least an annual impairment assessment. This assessment involves management identifying the cash-generating units (CGUs) to which the goodwill relates and estimating the recoverable amounts of the CGUs. An impairment is recognised when the recoverable amounts of the CGUs are lower than the carrying amounts of the CGUs goodwill and operating assets comprising intangibles and property plant and equipment. The recoverable amounts of the CGUs are determined based on assumptions of expected growth in revenue, gross margin and discount rates. These estimates require judgement and is a key focus area of our audit.	We assessed the Group's process over setting annual budgets on which the cash flow projections are based. We assessed the key assumptions on revenue growth rates and operating profit margins applied in the cash flow projections based on our knowledge of the CGUs' operations and compared them against economic and industry forecasts. This included making enquiries with management to understand their future plans around growth and capital expenditures. We assessed the methodology and key inputs used to derive the discount rates, including comparison with comparable companies. We performed sensitivity analysis around the key assumptions to assess the extent of the change that would be required for the assets to be impaired. We also assessed the adequacy of the Group's disclosures on the CGUs' key assumptions used and sensitivity of the outcome of the impairment assessment to changes in key assumptions.

Our findings

We found that the assumptions and resulting estimates of recoverable amounts of CGUs were balanced.

Valuation of trade and accrued receivables ($546.7 million)
(Refer to notes 2.1, 2.9, 12 and 13 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
The collectability of trade and accrued receivables is considered a key audit matter due to the inherent subjectivity that was involved in estimating expected credit losses (ECL).	We tested key controls over the Group's credit review and collection process. This included reviewing the Group's process to identify and monitor ECL, as well as the Group's basis of making allowance for ECL. We identified a sample of outstanding balances of significant amounts for collectability assessment individually. Where the debt is subject to dispute or potential dispute, we reviewed management's assessment of collectability and the Group's rights under the contracts to assess the reasonableness of recorded allowance amount. We compared the Group's views of collectability of outstanding amounts to historical patterns of receipts and cash received subsequent to year end.

Our findings

We found that the Group's estimates relating to collectability of trade and accrued receivables to be reasonable.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained the Directors' statement and Group financial highlights prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and 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. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I) and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit 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 controls.

- Obtain an understanding of internal controls 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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

From the matters communicated with the directors, 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 auditors' report unless the law or regulations preclude 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.

INDEPENDENT AUDITORS' REPORT
YEAR ENDED 31 DECEMBER 2019

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Quek Shu Ping.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
28 February 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

		Group		Company	
	Note	2019	2018	2019	2018
		$'000	$'000	$'000	$'000
Assets					
Property, plant and equipment	3	5,869,509	5,396,507	320	191
Intangible assets	4	2,552,864	2,140,186	30,252	14,673
Right-of-use assets	5	938,891	–	–	–
Subsidiaries	6	–	–	11,410,802	9,939,443
Associates	7	3,130,037	3,418,825	–	–
Joint ventures	8	3,413,032	2,803,883	–	–
Financial assets	9	1,296,117	1,187,432	76,633	110,625
Other non-current assets	10	238,191	229,663	17,681	22,787
Deferred tax assets	11	38,015	12,619	86	–
Non-current assets		17,476,656	15,189,115	11,535,774	10,087,719
Inventories		43,211	44,854	–	–
Trade and other receivables	12	906,606	954,047	156,855	134,178
Cash and bank balances	15	3,188,073	4,054,386	2,008,313	2,721,605
Current assets		4,137,890	5,053,287	2,165,168	2,855,783
Total assets		21,614,546	20,242,402	13,700,942	12,943,502
Equity					
Share capital	16	1,135,372	1,135,372	1,135,372	1,135,372
Accumulated profits and other reserves	17	10,370,225	10,208,482	8,716,207	8,548,982
Equity attributable to owner of the Company		11,505,597	11,343,854	9,851,579	9,684,354
Non-controlling interests		713,686	701,592	–	–
Total equity		12,219,283	12,045,446	9,851,579	9,684,354
Liabilities					
Borrowings	18	4,133,249	4,586,819	2,179,351	1,705,250
Lease liabilities	18	990,360	–	–	–
Provisions	19	10,736	9,214	–	–
Other non-current obligations	20	341,253	239,175	158,559	163,422
Deferred tax liabilities	11	495,184	493,943	–	3,617
Non-current liabilities		5,970,782	5,329,151	2,337,910	1,872,289
Borrowings	18	1,828,056	1,254,479	691,283	681,745
Lease liabilities	18	54,902	–	–	–
Trade and other payables	21	1,294,257	1,392,992	797,465	691,930
Current tax payable		247,266	220,334	22,705	13,184
Current liabilities		3,424,481	2,867,805	1,511,453	1,386,859
Total liabilities		9,395,263	8,196,956	3,849,363	3,259,148
Total equity and liabilities		21,614,546	20,242,402	13,700,942	12,943,502

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

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Revenue	23	4,077,451	4,086,213
Other income	24	275,855	212,296
Staff and related costs	25	(1,037,139)	(981,521)
Contract services		(542,612)	(531,088)
Running, repair and maintenance costs		(357,689)	(366,913)
Other operating expenses		(294,039)	(366,190)
Property taxes		(32,939)	(31,681)
Depreciation and amortisation		(719,537)	(663,688)
Service concession revenue	26	42,154	115,606
Service concession costs	26	(42,154)	(115,606)
Profit from operations	27	1,369,351	1,357,428
Finance costs	28	(262,664)	(217,868)
Share of profit of associates, net of tax		197,895	148,062
Share of profit of joint ventures, net of tax		157,962	192,032
Profit before income tax		1,462,544	1,479,654
Income tax expense	29	(197,096)	(228,894)
Profit for the year		1,265,448	1,250,760
Profit attributable to:			
Owner of the Company		1,245,802	1,204,734
Non-controlling interests		19,646	46,026
Profit for the year		1,265,448	1,250,760

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2019

	2019 $'000	2018 $'000
Profit for the year	1,265,448	1,250,760
Other comprehensive income		
Items that will not be reclassified to income statement:		
Defined benefit plan remeasurements	(1,675)	(74)
Net change in fair value of equity investments at FVOCI	87,313	(268,067)
Income tax on other comprehensive income	(59,622)	16,499
	26,016	(251,642)
Items that are or may be reclassified subsequently to income statement:		
Exchange differences of foreign operations	(143,630)	(42,046)
Exchange differences on monetary items forming part of net investment in foreign operations	(34,487)	7,478
Exchange differences on hedge of net investment in a foreign operation	29,000	(42,206)
Inflation adjustment for the year	47,692	72,113
Effective portion of changes in fair value of cash flow hedges	50,178	4,215
Net change in fair value of cash flow hedges reclassified to income statement	(20,590)	(338)
Share of reserves in associates	(51,257)	(90,208)
Share of reserves in joint ventures	965	9,348
Reserves reclassified to income statement on disposal of a subsidiary	(6,214)	11,578
Income tax on other comprehensive income	(148)	(7,041)
	(128,491)	(77,107)
Other comprehensive income for the year, net of tax	(102,475)	(328,749)
Total comprehensive income for the year	1,162,973	922,011
Total comprehensive income attributable to:		
Owner of the Company	1,150,832	884,129
Non-controlling interests	12,141	37,882
Total comprehensive income for the year	1,162,973	922,011

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2019

	Share capital $'000	Capital reserve $'000	Insurance reserve $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Total attributable to owner of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2018	1,135,372	32,990	97,357	(926,534)	(33,729)	372,740	10,401,529	11,079,725	534,949	11,614,674
Adjustment on initial application of SFRS(I) 9 (net of tax)	–	–	–	–	–	(428,140)	428,140	–	–	–
Adjusted balance at 1 January 2018	1,135,372	32,990	97,357	(926,534)	(33,729)	(55,400)	10,829,669	11,079,725	534,949	11,614,674
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	1,204,734	1,204,734	46,026	1,250,760
Other comprehensive income										
Exchange differences of foreign operations	–	–	–	(29,817)	–	–	–	(29,817)	(12,229)	(42,046)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	7,478	–	–	–	7,478	–	7,478
Exchange differences on hedge of net investment in a foreign operation	–	–	–	(42,206)	–	–	–	(42,206)	–	(42,206)
Inflation adjustment for the year	–	–	–	72,113	–	–	–	72,113	–	72,113
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	131	–	–	131	4,084	4,215
Net change in fair value of cash flow hedges reclassified to income statement	–	–	–	–	(338)	–	–	(338)	–	(338)
Net change in fair value of equity investments at FVOCI	–	–	–	–	–	(268,067)	–	(268,067)	–	(268,067)
Share of reserves in associates	–	(3,802)	–	(58,679)	–	(27,727)	–	(90,208)	–	(90,208)
Share of reserves in joint ventures	–	–	–	86	907	–	8,355	9,348	–	9,348
Reserves reclassified to income statement on disposal of a subsidiary	–	–	–	11,578	–	–	–	11,578	–	11,578
Defined benefit plan remeasurements	–	–	–	–	–	–	(75)	(75)	1	(74)
Income tax on other comprehensive income	–	–	–	–	148	16,726	(7,416)	9,458	–	9,458
Total other comprehensive income	–	(3,802)	–	(39,447)	848	(279,068)	864	(320,605)	(8,144)	(328,749)
Total comprehensive income for the year	–	(3,802)	–	(39,447)	848	(279,068)	1,205,598	884,129	37,882	922,011
Transactions with owner, recorded directly in equity										
Contributions by and distributions to owner of the Company										
Capital contribution by non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	117,914	117,914
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(52,689)	(52,689)
Interim tax exempt dividend declared and paid of $1.02 per share	–	–	–	–	–	–	(620,000)	(620,000)	–	(620,000)
Total contributions by and distributions to owner of the Company	–	–	–	–	–	–	(620,000)	(620,000)	65,225	(554,775)
Changes in ownership interests in subsidiaries										
Acquisition of interests in subsidiaries with non-controlling interests	–	–	–	–	–	–	–	–	56,321	56,321
Disposal of interest in a subsidiary to non-controlling interests, with a change in control	–	–	–	–	–	–	–	–	7,215	7,215
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	63,536	63,536
At 31 December 2018	1,135,372	29,188	97,357	(965,981)	(32,881)	(334,468)	11,415,267	11,343,854	701,592	12,045,446

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2019

	Share capital $'000	Capital reserve $'000	Insurance reserve $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Fair value reserve $'000	Accumulated profits $'000	Total attributable to owner of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2019	1,135,372	29,188	97,357	(965,981)	(32,881)	(334,468)	11,415,267	11,343,854	701,592	12,045,446
Adjustment on initial application of SFRS(I) 16 (net of tax) – subsidiaries	–	–	–	–	–	–	(65,810)	(65,810)	(16,466)	(82,276)
Adjustment on initial application of SFRS(I) 16 (net of tax) – associates	–	–	–	–	–	–	(318,279)	(318,279)	–	(318,279)
Adjusted balance at 1 January 2019	1,135,372	29,188	97,357	(965,981)	(32,881)	(334,468)	11,031,178	10,959,765	685,126	11,644,891
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	1,245,802	1,245,802	19,646	1,265,448
Other comprehensive income										
Exchange differences of foreign operations	–	–	–	(137,669)	–	–	–	(137,669)	(5,961)	(143,630)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	(34,487)	–	–	–	(34,487)	–	(34,487)
Exchange differences on hedge of net investment in a foreign operation	–	–	–	29,000	–	–	–	29,000	–	29,000
Inflation adjustment for the year	–	–	–	47,692	–	–	–	47,692	–	47,692
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	44,943	–	–	44,943	5,235	50,178
Net change in fair value of cash flow hedges reclassified to income statement	–	–	–	–	(13,811)	–	–	(13,811)	(6,779)	(20,590)
Net change in fair value of equity investments at FVOCI	–	–	–	–	–	87,313	–	87,313	–	87,313
Share of reserves in associates	–	(9,152)	–	(25,652)	–	(16,453)	–	(51,257)	–	(51,257)
Share of reserves in joint ventures	–	–	–	283	682	–	–	965	–	965
Reserves reclassified to income statement on disposal of a subsidiary	–	–	–	(6,214)	–	–	–	(6,214)	–	(6,214)
Defined benefit plan remeasurements	–	–	–	–	–	–	(1,675)	(1,675)	–	(1,675)
Income tax on other comprehensive income	–	–	–	–	(148)	(60,369)	747	(59,770)	–	(59,770)
Total other comprehensive income	–	(9,152)	–	(127,047)	31,666	10,491	(928)	(94,970)	(7,505)	(102,475)
Total comprehensive income for the year	–	(9,152)	–	(127,047)	31,666	10,491	1,244,874	1,150,832	12,141	1,162,973
Hedging gains and losses and costs of hedging transferred to property, plant and equipment	–	–	–	–	(5,000)	–	–	(5,000)	–	(5,000)
Transactions with owner, recorded directly in equity										
Contributions by and distributions to owner of the Company										
Capital contribution by non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	101,910	101,910
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(64,179)	(64,179)
Interim tax exempt dividend declared and paid of $0.99 per share	–	–	–	–	–	–	(600,000)	(600,000)	–	(600,000)
Total contributions by and distributions to owner of the Company	–	–	–	–	–	–	(600,000)	(600,000)	37,731	(562,269)
Changes in ownership interests in subsidiaries										
Disposal of interest in a subsidiary to non-controlling interests, with a change in control	–	–	–	–	–	–	–	–	(21,312)	(21,312)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	(21,312)	(21,312)
At 31 December 2019	1,135,372	20,036	97,357	(1,093,028)	(6,215)	(323,977)	11,676,052	11,505,597	713,686	12,219,283

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Profit for the year		1,265,448	1,250,760
Adjustments for:			
Depreciation and amortisation		719,537	663,688
Net change in fair value of equity investments at FVTPL		(6,201)	(7,785)
(Gain)/loss on disposal of:			
Subsidiary		(19,310)	8,760
Joint ventures		–	(2,543)
Intangible assets		1,472	–
Property, plant and equipment		(10,976)	(9,722)
Financial asset		(589)	–
Dividend income from financial assets		(56,530)	(52,378)
Interest income		(144,097)	(114,886)
Share of profit of associates, net of tax		(197,895)	(148,062)
Share of profit of joint ventures, net of tax		(157,962)	(192,032)
Finance costs	28	262,664	217,868
Income tax expense	29	197,096	228,894
		1,852,657	1,842,562
Changes in working capital:			
Inventories		1,643	(176)
Trade and other receivables		51,787	(166,040)
Trade and other payables		(24,051)	156,060
Cash generated from operations		1,882,036	1,832,406
Income tax paid		(236,935)	(173,841)
Net cash from operating activities		1,645,101	1,658,565

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2019

	Note	2019 $'000	2018 $'000
Cash flows from investing activities			
Dividends received		364,615	389,118
Interest received		89,879	108,514
Purchase of property, plant and equipment and intangible assets		(1,185,550)	(937,954)
Proceeds from disposal of property, plant and equipment and intangible assets		44,085	23,725
Purchase of financial assets		(12,551)	(125,981)
Investments in and loans to joint ventures		(655,232)	(111,996)
Repayment of loans provided to joint ventures		55,123	4,551
Acquisition of interests in subsidiaries, net of cash acquired	33	(663,723)	(68,714)
Disposal of interests in subsidiaries to non-controlling interests, with a change in control, net of cash disposed	33	(31,853)	(7,756)
Proceeds from disposal of a joint venture		–	392
Proceeds from disposal of financial asset		598	–
Capital reduction in a joint venture and an associate		16,149	9,919
Net cash used in investing activities		(1,978,460)	(716,182)
Cash flows from financing activities			
Proceeds from bank loans and notes		2,298,462	221,243
Repayment of bank loans and notes		(1,944,468)	(221,972)
Proceeds from loans from joint venture		151	205,736
Repayment of loans from joint venture		–	(21,659)
Payment of lease liabilities		(58,280)	–
Repayment of finance lease liabilities		–	(43)
Capital contribution by non-controlling shareholders of subsidiaries		101,910	117,914
Dividends paid to owner of the Company		(600,000)	(620,000)
Dividends paid to non-controlling shareholders of subsidiaries		(64,179)	(52,689)
Interest paid		(256,180)	(215,187)
Net cash used in financing activities		(522,584)	(586,657)
Net (decrease)/increase in cash and bank balances		(855,943)	355,726
Cash and bank balances at beginning of the year		4,054,386	3,713,708
Translation differences on consolidation		(10,370)	(15,048)
Cash and bank balances at end of the year	15	3,188,073	4,054,386

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

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 February 2020.

1 DOMICILE AND ACTIVITIES

PSA International Pte Ltd (the Company) is incorporated in the Republic of Singapore and has its registered office at 460 Alexandra Road, PSA Building, #38-00, Singapore 119963.

The principal activities of the Company are investment holding and the provision of consultancy services on port management, port operations and information technology. The principal activities of the subsidiaries are mainly those of providers of port, marine, software development and IT related services.

The immediate and ultimate holding company during the financial year is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified.

This is the first set of the Group's financial statements in which SFRS(I) 16 *Leases* has been applied. The related changes to significant accounting policies are described in note 2.2.

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise presented.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Impairment of property, plant and equipment, intangible assets and right-of-use assets

The Group has significant tangible and intangible assets in its business. Changes in technology or changes in the intended use of these assets may cause the estimated period of use or value of these assets to change.

Assets that have an infinite useful life are tested for impairment annually. Assets that are subject to depreciation and amortisation are reviewed to determine whether there is any indication that the carrying amounts of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in the income statement.

Management judgement is required in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying amount of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

Impairment of trade receivables

The Group assesses whether there are indicators that financial assets have been impaired at each balance sheet date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy and default, or significant delay in payments are indicators that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the market, economic or legal environment in which the debtor operates.

Depreciation and amortisation

Depreciation and amortisation of non-financial assets constitute significant operating costs for the Group. The costs of these non-financial assets are charged as depreciation or amortisation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activities and residual values to determine adjustments to estimated remaining useful lives and depreciation or amortisation rates.

Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable or amortisable lives and therefore depreciation or amortisation expense in future periods.

Residual values of the port assets are estimated after considering the price that could be recovered from the sale of the port assets and the expected age and condition at the end of their useful lives, after deducting the estimated costs of disposal.

2.2 Changes in accounting policies

The Group applied SFRS(I) 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulated profits at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated - i.e. it is presented, as previously reported, under SFRS(I) 1-17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in SFRS(I) 16 have not generally been applied to comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*. Under SFRS(I) 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 2.11.

On transition to SFRS(I) 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied SFRS(I) 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet.

The Group decided to apply recognition exemptions to short-term leases and low-value leases (see note 27). For leases of other assets, which were classified as operating leases under SFRS(I) 1-17, the Group recognised right-of-use assets and lease liabilities.

(i) Leases classified as operating leases under SFRS(I) 1-17

On transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 January 2019. Right-of-use assets are measured on a lease-by-lease basis at either:

- their carrying amount as if SFRS(I) 16 had been applied since the commencement date, discounted using the applicable incremental borrowing rates at the date of initial application; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used the following practical expedients on a lease-by-lease basis when applying SFRS(I) 16 to leases previously classified as operating leases under SFRS(I) 1-17:

- applied a single discount rate to a portfolio of leases with similar characteristics;
- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low-value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

(ii) Leases previously classified as finance leases

For leases that were classified as finance leases under SFRS(I) 1-17, the carrying amount of the right-of-use assets and the lease liabilities at 1 January 2019 are determined at the carrying amount of the lease assets and lease liabilities under SFRS(I) 1-17 immediately before that date.

Impact on financial statements

The impact on transition to SFRS(I) 16 on the Group's financial statements as at 1 January 2019 are mainly as follows:

	1 January 2019 $'000
Right-of-use assets	1,430,540
Deferred tax asset	22,470
Lease liabilities	(1,533,702)*
Accumulated profits	65,810
Non-controlling interests	16,466

* The lease liabilities included $12.6 million finance lease liabilities under SFRS(I) 1-17 and excluded short-term leases and leases of low-value assets of $5.1 million.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using the applicable incremental borrowing rates at 1 January 2019. The weighted average rate applied was 4.12%.

2.3 Basis of consolidation

Business combinations

Business combinations are accounted for under the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been adjusted where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Associates and joint ventures are accounted for in the consolidated financial statements under the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition results and reserves of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The latest audited financial statements of the associates and joint ventures are used and where these are not available, unaudited financial statements are used. Any differences between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted for in the subsequent financial year.

The Group's investments in equity-accounted investees include goodwill on acquisition and other intangible assets acquired from business combinations. Where the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions with non-controlling interests

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests, which are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, at fair value or at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value at acquisition date.

Changes in the Group's ownership interest in a subsidiary that do not result in a change in control are accounted for as transactions with owners in their capacity as owners and therefore the carrying amounts of assets and liabilities are not changed and goodwill and bargain purchase gain are not recognised as a result of such transactions. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Any difference between the adjustment to non-controlling interests and the fair value of consideration paid or received is recognised directly in equity and presented as part of equity attributable to owner of the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

2.4 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the income statement, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective (see note 2.8), which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates for the year.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income and presented within equity in foreign currency translation reserve. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

For foreign operations in hyperinflationary economies, the income statement and non-monetary items in the foreign operation's statement of financial position are first restated to reflect changes in the general purchasing power of the foreign operation's functional currency based on the inflation rate up to the reporting date, with the resultant adjustment taken to the foreign operation's income statement as a net gain or loss on monetary items. All amounts (i.e. assets, liabilities, equity items, income and expenses) are then translated to Singapore dollars at the exchange rates prevailing at the reporting date, with the differences from opening balances recognised in other comprehensive income, and presented within equity in foreign currency translation reserve.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve is reclassified to the income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

Net investment in a foreign operation

Foreign exchange gains and losses arising from monetary items, that in substance form part of the Group's net investment in a foreign operation, are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve. When the net investment is disposed of, the relevant amount in the foreign currency translation reserve is reclassified to the income statement as an adjustment to the gain or loss arising on disposal.

2.5 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, and an estimated cost of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the assets or restore the site, and capitalised borrowing costs, where applicable.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net in the income statement.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of property, plant and equipment to its estimated residual value over the estimated useful life (or lease term, if shorter) of each component of an item of property, plant and equipment.

Estimated useful lives are as follows:

Leasehold land	20 to 80 years
Buildings	10 to 58 years
Wharves, hardstanding and roads	5 to 33 years
Plant, equipment and machinery	3 to 25 years
Floating crafts	10 to 20 years
Dry-docking costs	2.5 to 5 years
Motor vehicles	3 to 15 years
Computers	3 to 5 years

No depreciation is provided on capital work-in-progress until the related property, plant and equipment is ready for use. Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.6 Intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with infinite useful lives or not ready for use are stated at cost less accumulated impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill represents the excess of:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses and is subject to testing for impairment, as described in note 2.7.

Computer software

Computer software, which is acquired by the Group, where it is not an integral part of the related hardware, is treated as an intangible asset. Computer software is amortised in the income statement on a straight-line basis over its estimated useful lives of 3 to 10 years, from the date on which it is ready for use.

Software development costs

Development expenditure attributable to projects, where the technical feasibility and commercial viability of which are reasonably assured, is capitalised and amortised over the time period for which the tangible benefits of the projects are expected to be realised. Software development costs are not amortised until the completion date and when the software is ready for use. Amortisation is charged to the income statement on a straight-line basis over estimated useful lives of 3 to 10 years.

Port concession, port use and other operating rights

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value upon initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition the intangible asset is measured at cost, which includes capitalised borrowings costs, less accumulated amortisation and accumulated impairment losses.

The expenditures incurred in relation to the right to operate a port are capitalised as port use rights. These rights are amortised in the income statement on a straight-line basis over their estimated useful lives of 21 to 42 years.

Research costs

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

Other intangible assets

Other intangible assets which are acquired by the Group are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement on a straight-line basis over estimated useful lives of 3 to 22 years.

Capital work-in-progress

No amortisation is provided on capital work-in-progress until the intangible asset is ready for use.

2.7 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Goodwill and other non-financial assets with infinite useful lives or not yet available for use are tested for impairment at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the income statement unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

2.8 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, other non-current assets, trade and other receivables, cash and bank balances, other non-current liabilities, trade and other payables, and borrowings.

Cash and cash equivalents comprise cash balances, bank deposits, and bank overdrafts. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire, or it transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised when the Group's contractual obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments (unless it is a trade receivable without a significant financing component) are initially measured at fair value plus, for non-derivative financial instruments not at fair value through profit or loss (FVTPL), any directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) for equity investments.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are as described below.

(a) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

(b) Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement.

(c) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

Non-derivative financial liabilities

Non-derivative financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the income statement.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign exchange, fuel price and interest rate risk exposures. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item in assessing whether they have values that generally move in the opposite direction because of the same hedged risk.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as follows.

(a) Cash flow hedges

Changes in the fair value of the derivative designated as a hedging instrument of a cash flow hedge is recognised in other comprehensive income and presented within equity in the hedging reserve to the extent the hedge is effective, limited to the cumulative change in fair value of the hedged item from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation revoked, then hedge accounting is discontinued prospectively.

The cumulative gain or loss previously recognised in equity in the hedging reserve remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is reclassified to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects the income statement.

If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to the income statement.

(b) Fair value hedges

Changes in the fair value of a derivative designated as a hedging instrument of a fair value hedge are recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in the income statement and the carrying amount of the hedged item is adjusted.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised or the designation is revoked, then hedge accounting is discontinued prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

(c) Hedge of net investment in a foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve, to the extent that the hedge is effective. The ineffective foreign currency differences are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in foreign currency translation reserve is reclassified to the income statement as an adjustment to the gain or loss on disposal when the investment in the foreign operation is disposed.

(d) Economic hedges

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in the income statement as part of foreign currency gains and losses.

(e) Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in the income statement.

2.9 Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on:
- financial assets measured at amortised cost; and
- contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

2.10 Financial guarantees

Financial guarantee contracts issued by the Company to external parties on behalf of entities within the Group are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2.11 Leases

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or 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.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset 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. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy before 1 January 2019

When entities within the Group are lessees of finance leases

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance cost and reduction of the lease liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for as such based on the terms and conditions even though the arrangement is not in the legal form of a lease.

When entities within the Group are lessees of operating leases

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expenses over the term of the lease. Contingent rentals are charged to the income statement in the financial year in which they are incurred.

Policy applicable from and before 1 January 2019

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term.

2.12 Inventories

Inventories mainly comprise stores and consumables which are valued at cost of purchase (including cost incurred in bringing the inventories to their present location and condition) on a weighted average cost method less any applicable allowance for obsolescence. When inventories are consumed, the carrying amount of these inventories is recognised as an expense in the year in which the consumption occurs.

2.13 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligations in respect of defined benefit plans are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.15 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.16 Revenue recognition

Income from services

Income from port and marine services rendered is recognised at a point in time and income from consultancy services is generally recognised over time, when the Group satisfies a performance obligation by transferring service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to each satisfied performance obligation. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services.

License fee

License fee represents fees earned from the sale of license of software to customers and is recognised when the customer takes delivery of the software, and the criteria for acceptance have been satisfied.

System development revenue

System development contracts of less than 12 months' duration and completed within the financial year are recognised at a point in time based on the completed contract method. System development for longer-term contracts are recognised over time. The stage of completion is typically assessed by reference to work performed based on the ratio of costs incurred to date to the estimated total costs for each contract.

Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognised over time based on the percentage of completion of the work performed. The percentage of completion is assessed by reference to surveys of work performed. The related costs are recognised in the income statement when they are incurred. Operation or service revenue is recognised in the period in which the services are provided by the Group. If the service concession arrangement contains more than one performance obligation, then the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

Dividend income

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

Interest income

Interest income is recognised as it accrues, using the effective interest method, except where the collection is contingent upon certain conditions being met, then such income is recognised when received.

2.17 Government grants

Government grants are recognised in the statement of financial position initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

2.18 Finance costs

Finance costs comprise interest expense on borrowings which includes reclassifications of net losses previously recognised in other comprehensive income and the unwinding of the discount on provisions. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.19 Income tax expense

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.20 Non-current assets held for sale or distribution

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured under different rules in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment losses.

2.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Executive Committee and Senior Management Council of the Company to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Leasehold land $'000	Buildings $'000	Wharves, hardstanding and roads $'000	Plant, equipment and machinery $'000	Floating crafts and dry-docking costs $'000	Motor vehicles $'000	Computers $'000	Capital work-in-progress $'000	Total $'000
Group										
Cost										
At 1 January 2018	–	1,460,855	649,563	2,763,889	5,793,369	431,536	23,689	170,565	817,733	12,111,199
Reclassifications	–	6,368	10,327	74,323	219,672	24,290	1,635	24,927	(361,542)	–
Additions	–	–	1,647	8,050	48,462	17,014	926	7,572	279,863	363,534
Acquisition of subsidiaries	–	48,510	43,836	–	25,055	–	1,010	44,821	–	163,232
Disposals	–	(974)	(14,952)	(1,742)	(283,383)	(24,903)	(706)	(38,275)	–	(364,935)
Disposal of a subsidiary	–	–	(6,369)	(147,777)	(46,109)	–	(807)	(5,929)	(548,041)	(755,032)
Translation differences on consolidation	–	(1,044)	(6,207)	(11,003)	(38,726)	(37)	(172)	(1,276)	(23,574)	(82,039)
At 31 December 2018	–	1,513,715	677,845	2,685,740	5,718,340	447,900	25,575	202,405	164,439	11,435,959
Adjustment on initial application of SFRS(I) 16	–	–	–	(3,196)	(41,495)	–	–	–	–	(44,691)
Adjusted balance at 1 January 2019	–	1,513,715	677,845	2,682,544	5,676,845	447,900	25,575	202,405	164,439	11,391,268
Reclassifications	32,697	(32,697)	17,615	11,939	104,796	27,661	770	27,510	(190,291)	–
Additions	4,540	–	11,067	7,387	20,781	36,538	2,059	4,755	1,032,869	1,119,996
Acquisition of subsidiaries	38,530	–	53,501	–	123,536	–	5,189	1,783	11,683	234,222
Disposals	–	–	(8,775)	(6,034)	(151,408)	(78,143)	(1,327)	(16,915)	(6)	(262,608)
Disposal of a subsidiary	–	–	–	(3,893)	(215,077)	–	(219)	–	(109)	(219,298)
Transferred to intangible assets	–	–	–	–	–	–	–	–	(16,369)	(16,369)
Translation differences on consolidation	(609)	–	(7,590)	(6,949)	(49,700)	(1,649)	(130)	(2,047)	(3,716)	(72,390)
At 31 December 2019	75,158	1,481,018	743,663	2,684,994	5,509,773	432,307	31,917	217,491	998,500	12,174,821
Accumulated depreciation and impairment losses										
At 1 January 2018	–	828,971	384,225	1,302,442	2,940,782	194,455	19,033	138,982	–	5,808,890
Depreciation charge for the year	–	49,806	26,392	120,471	332,051	34,188	2,220	19,996	–	585,124
Acquisition of subsidiaries	–	6,672	17,985	–	10,034	–	69	43,207	–	77,967
Disposals	–	(974)	(14,857)	(1,673)	(280,287)	(20,836)	(704)	(38,288)	–	(357,619)
Disposal of a subsidiary	–	–	(1,253)	(25,113)	(13,262)	–	(581)	(3,442)	–	(43,651)
Translation differences on consolidation	–	–	(4,682)	(3,950)	(21,399)	(108)	(126)	(994)	–	(31,259)
At 31 December 2018	–	884,475	407,810	1,392,177	2,967,919	207,699	19,911	159,461	–	6,039,452
Adjustment on initial application of SFRS(I) 16	–	–	–	(1,278)	(32,195)	–	–	–	–	(33,473)
Adjusted balance at 1 January 2019	–	884,475	407,810	1,390,899	2,935,724	207,699	19,911	159,461	–	6,005,979
Depreciation charge for the year	–	50,018	26,945	118,676	311,295	31,065	2,124	23,728	–	563,851
Acquisition of subsidiaries	–	–	33,444	–	48,244	–	1,324	879	–	83,891
Disposals	–	–	(8,734)	(5,910)	(150,279)	(58,310)	(1,262)	(16,907)	–	(241,402)
Disposal of a subsidiary	–	–	–	(766)	(68,446)	–	(164)	–	–	(69,376)
Translation differences on consolidation	–	–	(5,729)	(3,769)	(26,195)	(512)	(100)	(1,326)	–	(37,631)
At 31 December 2019	–	934,493	453,736	1,499,130	3,050,343	179,942	21,833	165,835	–	6,305,312
Carrying amounts										
At 1 January 2018	–	631,884	265,338	1,461,447	2,852,587	237,081	4,656	31,583	817,733	6,302,309
At 31 December 2018	–	629,240	270,035	1,293,563	2,750,421	240,201	5,664	42,944	164,439	5,396,507
At 31 December 2019	75,158	546,525	289,927	1,185,864	2,459,430	252,365	10,084	51,656	998,500	5,869,509

	Plant, equipment and machinery $'000	Motor vehicles $'000	Computers $'000	Total $'000
Company				
Cost				
At 1 January 2018	263	774	2,034	3,071
Additions	–	–	19	19
Disposals	(8)	–	(41)	(49)
At 31 December 2018	255	774	2,012	3,041
Additions	388	–	2	390
Disposals	–	(428)	(8)	(436)
At 31 December 2019	643	346	2,006	2,995
Accumulated depreciation				
At 1 January 2018	223	575	1,878	2,676
Depreciation charge for the year	23	85	115	223
Disposals	(8)	–	(41)	(49)
At 31 December 2018	238	660	1,952	2,850
Depreciation charge for the year	90	50	57	197
Disposals	–	(364)	(8)	(372)
At 31 December 2019	328	346	2,001	2,675
Carrying amounts				
At 1 January 2018	40	199	156	395
At 31 December 2018	17	114	60	191
At 31 December 2019	315	–	5	320

4 INTANGIBLE ASSETS

	Goodwill on consolidation	Computer software	Software development costs	Capital work-in-progress	Port and other operating rights	Other intangible assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Cost							
At 1 January 2018	537,011	55,837	98,608	1,145,615	556,432	16,516	2,410,019
Reclassifications	–	1,047	8,997	(1,158,301)	1,148,186	71	–
Additions	–	7,650	337	133,568	4,074	458	146,087
Acquisition of subsidiaries	18,652	2,706	15,702	243	–	17,983	55,286
Disposals	–	(2,048)	(7,664)	–	–	–	(9,712)
Translation differences on consolidation	(1,721)	(1,716)	(874)	(67,240)	(16,213)	(789)	(88,553)
At 31 December 2018	553,942	63,476	115,106	53,885	1,692,479	34,239	2,513,127
Reclassifications	–	787	10,011	(138,045)	126,615	632	–
Additions	–	1,759	661	146,971	31,388	991	181,770
Acquisition of subsidiaries	–	–	–	–	532,970	58,734	591,704
Disposals	–	(911)	–	–	(13,304)	(88)	(14,303)
Disposal of a subsidiary	–	(2,031)	–	–	(198,018)	(104)	(200,153)
Transferred from property, plant and equipment	–	16,183	186	–	–	–	16,369
Translation differences on consolidation	(515)	(1,936)	(1,087)	(237)	(67,103)	(345)	(71,223)
At 31 December 2019	553,427	77,327	124,877	62,574	2,105,027	94,059	3,017,291
Accumulated amortisation and impairment losses							
At 1 January 2018	69,699	41,520	65,826	–	108,854	6,749	292,648
Amortisation charge for the year	–	7,622	7,557	–	61,835	1,550	78,564
Acquisition of subsidiaries	–	2,688	8,341	–	–	–	11,029
Disposals	–	(2,048)	(977)	–	–	–	(3,025)
Translation differences on consolidation	(363)	(1,501)	(282)	–	(3,923)	(206)	(6,275)
At 31 December 2018	69,336	48,281	80,465	–	166,766	8,093	372,941
Amortisation charge for the year	–	6,963	10,200		64,213	4,677	86,053
Acquisition of subsidiaries	–	–	–	–	–	38,119	38,119
Disposals	–	(840)	–	–	–	(88)	(928)
Disposal of a subsidiary	–	(1,367)	–	–	(22,234)	–	(23,601)
Translation differences on consolidation	(444)	(1,538)	(410)	–	(5,312)	(453)	(8,157)
At 31 December 2019	68,892	51,499	90,255	–	203,433	50,348	464,427
Carrying amounts							
At 1 January 2018	467,312	14,317	32,782	1,145,615	447,578	9,767	2,117,371
At 31 December 2018	484,606	15,195	34,641	53,885	1,525,713	26,146	2,140,186
At 31 December 2019	484,535	25,828	34,622	62,574	1,901,594	43,711	2,552,864

	Computer software $'000	Software development costs $'000	Capital work-in-progress $'000	Total $'000
Company				
Cost				
At 1 January 2018	3,903	411	7,893	12,207
Additions	–	–	6,771	6,771
At 31 December 2018	3,903	411	14,664	18,978
Additions	85	–	15,602	15,687
Reclassifications	81	4,677	(4,758)	–
At 31 December 2019	4,069	5,088	25,508	34,665
Accumulated amortisation				
At 1 January 2018	3,512	411	–	3,923
Amortisation charge for the year	382	–	–	382
At 31 December 2018	3,894	411	–	4,305
Amortisation charge for the year	30	78	–	108
At 31 December 2019	3,924	489	–	4,413
Carrying amounts				
At 1 January 2018	391	–	7,893	8,284
At 31 December 2018	9	–	14,664	14,673
At 31 December 2019	145	4,599	25,508	30,252

Impairment testing for cash-generating units (CGUs) containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's port business in the country of operation, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. At 31 December 2019, the carrying amount of goodwill primarily relates to the Group's port business CGU in Belgium of $454.5 million (2018: $455.9 million). The remaining goodwill relates to the Group's port business CGUs in other countries.

The recoverable amounts of these port business CGUs were based on the value in use approach. They were determined by discounting the future cash flows generated from the continuing use of these CGUs. The cash flow projections were based on the financial budgets approved by management covering a five-year period and a further outlook based on the long-term nature of concession agreements.

Key assumptions include the expected growth in revenue, gross margin and discount rates. The pre-tax discount rate used for impairment testing of Belgium CGU was 7.7% (2018: 7.7%).

Judgement is required to determine key assumptions adopted in the cash flow projections and changes to the key assumptions can significantly affect these cash flow projections and therefore the results of the impairment tests.

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying amount of the Belgium CGU to materially exceed its recoverable amount.

5 RIGHT-OF-USE ASSETS

	Leasehold land	Buildings	Wharves, hardstanding and roads	Plant, equipment and machinery	Motor vehicles	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Cost							
Recognition of right-of-use assets on initial application of SFRS(I) 16	1,008,348	16,544	351,862	81,202	4,005	2,052	1,464,013
Additions	1,284	535	6,840	11,174	2,145	2,593	24,571
Acquisition of subsidiaries	63,888	–	–	1,385	–	–	65,273
Disposal of a subsidiary	(460,921)	–	(3,170)	(39,799)	–	(1,357)	(505,247)
Translation differences on consolidation	(28,594)	(60)	(11,791)	(1,730)	(168)	(33)	(42,376)
At 31 December 2019	584,005	17,019	343,741	52,232	5,982	3,255	1,006,234
Accumulated depreciation							
Recognition of right-of-use assets on initial application of SFRS(I) 16	–	–	1,278	31,648	–	547	33,473
Depreciation charge for the year	26,114	9,678	14,248	17,537	1,646	410	69,633
Acquisition of subsidiaries	–	–	–	249	–	–	249
Disposal of a subsidiary	(1,815)	–	(1,281)	(31,448)	–	(549)	(35,093)
Translation differences on consolidation	(205)	(14)	(195)	(479)	(20)	(6)	(919)
At 31 December 2019	24,094	9,664	14,050	17,507	1,626	402	67,343
Carrying amounts							
At 1 January 2019	1,008,348	16,544	350,584	49,554	4,005	1,505	1,430,540
At 31 December 2019	559,911	7,355	329,691	34,725	4,356	2,853	938,891

The leases run over various periods with some leases containing an option to renew the lease upon expiry. Lease terms are reviewed at renewal of leases.

6 SUBSIDIARIES

	Company	
	2019	2018
	$'000	$'000
Equity investments, at cost	1,168,122	1,168,122
Loans to subsidiaries	10,517,757	9,050,692
	11,685,879	10,218,814
Impairment losses	(275,077)	(279,371)
	11,410,802	9,939,443

The loans to subsidiaries form part of the Company's net investments in these subsidiaries. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Company. Accordingly, these loans are stated at cost less accumulated impairment losses.

The loans are principally denominated in Singapore dollars, US dollars and Euro, and comprise:

(a) $1,756.9 million (2018: $1,661.1 million) loans bearing fixed interest rates ranging from 0.43% to 9.88% (2018: 3.80% to 4.63%) per annum; and

(b) $60.4 million (2018: $57.7 million) loans bearing floating interest rates ranging from 2.10% to 7.21% (2018: 2.50% to 7.59%) per annum and the interest rates repriced at intervals of 6 to 12 months.

The remaining loans to subsidiaries are interest-free.

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal place of business/ country of incorporation	Effective percentage held by the Group	
		2019	2018
		%	%
PSA Corporation Limited	Singapore	100	100
PSA Marine (Pte) Ltd	Singapore	100	100
PSA Antwerp N.V.	Belgium	100	100

7 ASSOCIATES

	Group 2019 $'000	Group 2018 $'000
Investments in associates	3,130,037	3,418,825
Loans to associates	7,128	7,128
	3,137,165	3,425,953
Impairment losses	(7,128)	(7,128)
	3,130,037	3,418,825

The loans to associates form part of the Group's net investments in these associates. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Group. Accordingly, these loans are stated at cost less accumulated impairment losses.

Details of significant associates are as follows:

Name of associate	Principal place of business/ country of incorporation	Effective percentage held by the Group 2019 %	Effective percentage held by the Group 2018 %
Hutchison Port Holdings Limited	British Virgin Islands	20.0	20.0
Hutchison Ports Investments S.à r.l.	Luxembourg	20.0	20.0

The reconciliation of the SFRS(I) financial statements of the associates modified for fair value adjustments, with the carrying amounts of the investments in associates in the consolidated financial statements is as follows:

	Group 2019 $'000	Group 2018 $'000
At 1 January	3,418,825	3,413,661
Adjustment on initial application of SFRS(I) 16	(318,279)	–
Adjusted balance at 1 January	3,100,546	3,413,661
Group's share of:		
- profit for the year	197,895	148,062
- other comprehensive income	(51,257)	(90,208)
- total comprehensive income	146,638	57,854
Dividends received during the year	(94,237)	(110,154)
Capital reduction during the year	–	(3,998)
Translation differences on consolidation	(22,910)	61,462
At 31 December	3,130,037	3,418,825

The Group's investments in associates relate mainly to its investment in Hutchison Port Holdings Limited and Hutchison Ports Investments S.à r.l.. The Group's share of contingent liabilities of the associates is $69.6 million (2018: $102.1 million).

8 JOINT VENTURES

	Group	
	2019	2018
	$'000	$'000
Investments in joint ventures	2,425,385	1,973,395
Loans to joint ventures	1,011,455	854,296
	3,436,840	2,827,691
Impairment losses	(23,808)	(23,808)
	3,413,032	2,803,883

The loans to joint ventures form part of the Group's net investments in these joint ventures. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Group. Accordingly, these loans are stated at cost less accumulated impairment losses.

The loans are principally denominated in US dollars and Euro, and comprised:

(a) $600.4 million (2018: $442.6 million) loans bearing fixed interest rates ranging from 6.00% to 10.00% (2018: 6.00%) per annum; and

(b) $402.2 million (2018: $387.1 million) loans bearing floating interest rates ranging from 2.56% to 6.80% (2018: 2.56% to 6.39%) per annum.

The remaining loans to joint ventures are interest-free.

Details of significant joint ventures are as follows:

Name of joint venture	Principal place of business/ country of incorporation	Effective percentage held by the Group	
		2019	2018
		%	%
DCT Gdansk S.A.	Republic of Poland	40.0	–
Mersin Uluslararasi Liman Isletmeciligi A.S.	Turkey	51.0	51.0
PSA Panama International Terminal, S.A.	Republic of Panama	42.5	42.5
Sociedad Puerto Industrial Aguadulce S.A.	Colombia	49.8	47.3
Tianjin Port Pacific International Container Terminal Co., Ltd.	People's Republic of China	49.0	49.0

The Group's share of commitments of the joint ventures was as follows:

	Group	
	2019	2018
	$'000	$'000
(a) Capital commitments which have been authorised and contracted but not provided for in the financial statements	68,711	78,548

	Group
	2018
	$'000
(b) Non-cancellable operating lease commitments:	
Within 1 year	6,919
Between 1 and 5 years	16,683
After 5 years	15,193

The Group does not have any individually material joint venture.

9 FINANCIAL ASSETS

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Equity investments at FVOCI	1,285,286	1,187,432	76,633	110,625
Equity investments at FVTPL	10,831	–	–	–
	1,296,117	1,187,432	76,633	110,625

10 OTHER NON-CURRENT ASSETS

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Loan to joint venture	5,282	9,839	–	–
Other receivables	192,369	196,286	17,664	22,787
Non-current portion of financial assets at amortised cost	197,651	206,125	17,664	22,787
Hedging instruments	38,996	21,949	17	–
Transferable corporate club memberships	1,544	1,589	–	–
	238,191	229,663	17,681	22,787

The loan to joint venture was denominated in Euro, unsecured, bears floating interest rate of 1% per annum and repayable by 2022.

11 DEFERRED TAX

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year were as follows:

	Provisions $'000	Other items $'000	Total $'000
Group			
Deferred tax assets			
At 1 January 2018	53,566	14,128	67,694
Acquisition of subsidiaries	286	325	611
Recognised in income statement	(13,874)	1,670	(12,204)
Recognised in other comprehensive income	(196)	–	(196)
Translation differences on consolidation	(332)	(407)	(739)
At 31 December 2018	39,450	15,716	55,166
Adjustment on initial application of SFRS(I) 16	–	22,470	22,470
Disposal of a subsidiary	–	(300)	(300)
Recognised in income statement	251	2,130	2,381
Recognised in other comprehensive income	276	18	294
Translation differences on consolidation	(541)	(1,704)	(2,245)
At 31 December 2019	39,436	38,330	77,766

	Property, plant and equipment $'000	Fair value reserve $'000	Other items $'000	Total $'000
Deferred tax liabilities				
At 1 January 2018	381,107	181,936	11,683	574,726
Acquisition of subsidiaries	234	–	14	248
Recognised in income statement	(27,276)	–	(917)	(28,193)
Recognised in other comprehensive income	–	(16,726)	7,072	(9,654)
Translation differences on consolidation	(272)	–	(365)	(637)
At 31 December 2018	353,793	165,210	17,487	536,490
Acquisition of subsidiaries	–	–	2,751	2,751
Recognised in income statement	(57,928)	–	(6,462)	(64,390)
Recognised in other comprehensive income	–	60,228	(164)	60,064
Translation differences on consolidation	(424)	–	444	20
At 31 December 2019	295,441	225,438	14,056	534,935

Deferred tax assets and liabilities of the Company were attributable to the following:

	Company	
	2019	2018
	$'000	$'000
Deferred tax assets		
Provisions	4,232	4,963
Deferred tax liabilities		
Property, plant and equipment	266	25
Unremitted income	1,750	1,532
Other items	2,130	7,023
	4,146	8,580

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting were included in the statements of financial position as follows:

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Deferred tax assets	38,015	12,619	86	–
Deferred tax liabilities	495,184	493,943	–	3,617

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of tax losses amounting to $182.7 million (2018: $141.4 million). The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of these tax losses because there is no indication that future taxable profit will be available against which the respective subsidiaries of the Group can utilise the benefits.

12 TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2019	2018	2019	2018
		$'000	$'000	$'000	$'000
Trade and accrued receivables	13	546,651	633,207	–	–
Deposits and other receivables	14	172,821	196,981	15,021	26,386
Amounts due from:					
Subsidiaries		–	–	126,528	96,696
Associates		57	185	–	–
Joint ventures		139,348	86,822	10,517	10,596
Related corporations		60	16	–	–
Loan to joint venture		4,225	4,373	–	–
Current portion of financial assets at amortised cost		863,162	921,584	152,066	133,678
Advances and prepayments		38,148	31,750	981	500
Hedging instruments		5,296	713	3,808	–
		906,606	954,047	156,855	134,178

The amounts due from subsidiaries, associates, joint ventures and related corporations were unsecured, interest-free and repayable on demand. The loan to joint venture was denominated in Euro, unsecured, bore floating interest rate of 1% per annum and repayable in one year.

13 TRADE AND ACCRUED RECEIVABLES

	Group	
	2019	2018
	$'000	$'000
Trade and accrued receivables	641,958	703,951
Allowance for impairment	(95,307)	(70,744)
	546,651	633,207

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's internationally dispersed customers. Due to the nature of the Group's business, credit risk is not concentrated in any specific geographical region but concentrated in companies exposed to business cyclical fluctuations that are commonly found in the shipping industry. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional allowance beyond amounts provided for collection losses is required.

14 DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Deposits	5,797	5,759	–	–
Other receivables	167,024	191,222	15,021	26,386
	172,821	196,981	15,021	26,386

15 CASH AND BANK BALANCES

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Cash at bank and in hand	403,656	559,926	28,917	105,423
Fixed deposits	2,784,417	3,494,460	1,979,396	2,616,182
	3,188,073	4,054,386	2,008,313	2,721,605

At the reporting date, cash and cash equivalents for the Group include $595.8 million (2018: $656.1 million) cash from subsidiaries pooled together under a sweeping arrangement and managed centrally by the Company in bank balances and fixed deposits as part of the Group's cash management and treasury activities. These balances are not presented as part of the bank balance of the Company.

16 SHARE CAPITAL

	Company	
	2019	2018
	No. of shares	No. of shares
	'000	'000
Issued and fully-paid, with no par value:		
At 1 January and 31 December	607,372	607,372

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Group defines capital as share capital and all components of equity. The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There were no changes to the Group's approach to capital management during the year.

Certain subsidiaries within the Group are subject to externally imposed capital requirements as required by law. These subsidiaries have complied with the requirements during the financial year. The Company and the rest of its subsidiaries are not subject to any externally imposed capital requirements.

17 ACCUMULATED PROFITS AND OTHER RESERVES

	Note	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Capital reserve	(a)	20,036	29,188	–	–
Insurance reserve	(b)	97,357	97,357	–	–
Foreign currency translation reserve	(c)	(1,093,028)	(965,981)	–	–
Hedging reserve	(d)	(6,215)	(32,881)	480	(19,718)
Fair value reserve	(e)	(323,977)	(334,468)	(47,658)	(13,666)
Accumulated profits		11,676,052	11,415,267	8,763,385	8,582,366
		10,370,225	10,208,482	8,716,207	8,548,982

(a) Capital reserve

The capital reserve comprises the Group's share of capital reserve of associates and joint ventures.

(b) Insurance reserve

The insurance reserve relates to a sum transferred from the former Port of Singapore Authority to PSA Corporation Limited in 1997 as part of the vesting of property, rights and liabilities. This reserve is to cover potential past liabilities and for funding future potential liabilities in relation to the port related activities undertaken by PSA Corporation Limited.

(c) Foreign currency translation reserve

The foreign currency translation reserve comprises:

(i) all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company;

(ii) the effective portion of the cumulative net change in fair value of foreign currency loans used to hedge the Group's net investment in foreign operations;

(iii) foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations;

(iv) the Group's share of foreign currency translation reserve of associates and joint ventures; and

(v) changes in the equity of foreign operations as a result of adjusting non-monetary assets and liabilities and equity balances for hyperinflation (inflation adjustment).

(d) Hedging reserve

The hedging reserve comprises:

(i) the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred; and

(ii) the Group's share of hedging reserve of associates and joint ventures.

(e) Fair value reserve

The fair value reserve comprises:

(i) the cumulative net changes in the fair values of equity investments at FVOCI until the investments are derecognised; and

(ii) the Group's share of fair value reserve of associates and joint ventures.

18 BORROWINGS AND LEASE LIABILITIES

		Group		Company	
		2019	2018	2019	2018
		$'000	$'000	$'000	$'000
Borrowings					
Non-current borrowings					
Unsecured fixed and floating rates notes		2,179,081	2,106,213	845,770	1,029,924
Secured bank loans		807,484	1,057,940	–	–
Unsecured bank loans		1,073,374	1,340,179	–	–
Loans from joint venture		63,755	60,456	–	–
Loans from non-controlling shareholders of subsidiaries		9,555	9,555	–	–
Unsecured loan from subsidiary		–	–	1,333,581	675,326
Finance lease liabilities		–	12,476	–	–
		4,133,249	4,586,819	2,179,351	1,705,250
Current borrowings					
Unsecured fixed and floating rates notes		572,996	982,368	172,996	681,745
Secured bank loans		60,870	62,818	–	–
Unsecured bank loans		1,192,077	201,603	518,287	–
Loans from joint venture		2,113	7,556	–	–
Finance lease liabilities		–	134	–	–
		1,828,056	1,254,479	691,283	681,745
		5,961,305	5,841,298	2,870,634	2,386,995
Total borrowings comprise:					
Total unsecured fixed and floating rates notes		2,752,077	3,088,581	1,018,766	1,711,669
Total secured bank loans	(a)	868,354	1,120,758	–	–
Total unsecured bank loans		2,265,451	1,541,782	518,287	–
Total loans from joint venture	(b)	65,868	68,012	–	–
Total loans from non-controlling shareholders of subsidiaries	(c)	9,555	9,555	–	–
Total unsecured loan from subsidiary		–	–	1,333,581	675,326
Total finance lease liabilities	(d)	–	12,610	–	–
		5,961,305	5,841,298	2,870,634	2,386,995
Lease liabilities					
Non-current lease liabilities		990,360	–	–	–
Current lease liabilities		54,902	–	–	–
		1,045,262	–	–	–

(a) Secured bank loans

The loans were secured by mortgages on the borrowing subsidiaries' property, plant and equipment and port use rights with a carrying amount of $1,630.3 million (2018: $1,766.5 million).

(b) Loans from joint venture

The loans from joint venture were denominated in Euro, unsecured and bore floating interest rates. Interest rates repriced at intervals of three months.

(c) Loans from non-controlling shareholders of subsidiaries

The loans from non-controlling shareholders were unsecured and bore floating interest rates. Interest rates repriced at intervals of three months.

(d) Finance lease liabilities

Finance lease liabilities were payable as follows:

	Principal $'000	Interest $'000	Total $'000
Group			
31 December 2018			
Payable within 1 year	134	10	144
Payable between 1 and 5 years	3,598	2,385	5,983
Payable after 5 years	8,878	820	9,698
Total	12,610	3,215	15,825

In 2018, the effective interest rate of finance lease liabilities was 5.33% per annum.

Terms and debt repayment schedule

The terms and conditions of outstanding borrowings and lease liabilities were as follows:

	Effective interest rate	Year of maturity	2019 Face value	2019 Carrying amount	2018 Face value	2018 Carrying amount
	%		$'000	$'000	$'000	$'000
Group						
Unsecured fixed and floating rates notes	2.13 - 4.27	2020 - 2029	2,784,255	2,752,077	3,095,950	3,088,581
Secured bank loans	2.92 - 10.50	2020 - 2036	868,354	868,354	1,120,758	1,120,758
Unsecured bank loans	0.04 - 4.06	2020 - 2024	2,265,907	2,265,451	1,542,864	1,541,782
Loans from joint venture	0.62 - 1.50	2020 - 2022	65,868	65,868	68,012	68,012
Loans from non-controlling shareholders of subsidiaries	1.88	2027	9,555	9,555	9,555	9,555
			5,993,939	5,961,305	5,837,139	5,828,688
Lease liabilities	0.44 - 17.60	2020 - 2051	1,578,365	1,045,262	–	–
Company						
Unsecured fixed and floating rates notes	3.80 - 4.27	2020 - 2025	1,095,050	1,018,766	1,713,500	1,711,669
Unsecured bank loans	0.04 - 2.35	2020	518,287	518,287	–	–
Unsecured loan from subsidiary	2.27 - 2.64	2026 - 2029	1,333,581	1,333,581	675,326	675,326
			2,946,918	2,870,634	2,388,826	2,386,995

Reconciliation of movements of borrowings and lease liabilities to cash flows arising from financing activities

	Borrowings	Finance lease liabilities	Total
	$'000	$'000	$'000
Group			
At 1 January 2018	5,982,431	12,539	5,994,970
Changes from financing cash flows			
- Proceeds from bank loans and notes	221,243	–	221,243
- Repayment of bank loans and notes	(221,972)	–	(221,972)
- Proceeds from loans from joint venture	17,960	–	17,960
- Repayment of loans from joint venture	(21,659)	–	(21,659)
- Repayment of finance lease liabilities	–	(43)	(43)
Total changes from financing cash flows	(4,428)	(43)	(4,471)
Acquisition of subsidiaries	27,309	340	27,649
Disposal of a subsidiary	(196,770)	–	(196,770)
Amortisation of loan facilities upfront fees	2,913	–	2,913
Changes in fair value	(2,303)	–	(2,303)
Effect of changes in foreign exchange rates	19,536	(226)	19,310
At 31 December 2018	5,828,688	12,610	5,841,298

	Borrowings	Lease liabilities	Total
	$'000	$'000	$'000
At 1 January 2019	5,828,688	12,610	5,841,298
Adjustment on initial application of SFRS (I) 16	–	1,521,092	1,521,092
Adjusted balance at 1 January 2019	5,828,688	1,533,702	7,362,390
Changes from financing cash flows			
- Proceeds from bank loans and notes	2,298,462	–	2,298,462
- Repayment of bank loans and notes	(1,944,468)	–	(1,944,468)
- Proceeds from loans from joint venture	151	–	151
- Repayment of lease liabilities	–	(58,280)	(58,280)
- Interest paid	–	(40,575)	(40,575)
Total changes from financing cash flows	354,145	(98,855)	255,290
Addition of new leases	–	24,831	24,831
Acquisition of subsidiaries	53,269	64,659	117,928
Disposal of a subsidiary	(235,014)	(473,657)	(708,671)
Interest expenses	–	40,955	40,955
Amortisation of loan facilities upfront fees	2,730	–	2,730
Changes in fair value	(572)	–	(572)
Effect of changes in foreign exchange rates	(41,941)	(46,373)	(88,314)
At 31 December 2019	5,961,305	1,045,262	7,006,567

Total cash outflow for all the leases in 2019 was $116.5 million.

19 PROVISIONS

	Compensation sum	Site restoration costs	Total
	$'000	$'000	$'000
Group			
At 1 January 2018	40,120	8,934	49,054
Provisions made	–	280	280
Provisions utilised	(612)	–	(612)
Write-back	(40,627)	–	(40,627)
Translation differences on consolidation	1,119	–	1,119
At 31 December 2018	–	9,214	9,214
Provisions made	–	346	346
Acquisition of subsidiaries	–	1,176	1,176
At 31 December 2019	–	10,736	10,736

The provision for site restoration relates to provisions made by subsidiaries to restore their leased sites to original condition by the end of the lease terms.

20 OTHER NON-CURRENT OBLIGATIONS

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Hedging instruments	8,312	17,109	7,326	17,109
Amount due to joint venture	4,310	7,387	–	–
Loan from a subsidiary	–	–	151,233	146,313
Loan from a joint venture	151,233	146,313	–	–
Loan from non-controlling shareholder of a subsidiary	–	6,909	–	–
Service concession obligations	111,424	–	–	–
Other non-current obligations	65,974	61,457	–	–
	341,253	239,175	158,559	163,422

The loans from a subsidiary and a joint venture are denominated in US dollars, unsecured, interest-free and due in 2025. At 31 December 2018, the loan from non-controlling shareholder of a subsidiary was unsecured and interest-free. The amount was in substance a capital contribution by the non-controlling shareholder of the subsidiary and has been repaid in 2019.

21 TRADE AND OTHER PAYABLES

	Note	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Trade payables and accrued operating expenses		917,171	962,195	86,425	73,736
Deposits and other payables	22	271,362	293,593	24,080	31,527
Amounts due to:					
Subsidiaries		–	–	686,812	580,777
Joint ventures		44,226	40,655	–	–
Related corporations		1,712	1,086	–	–
Other financial liabilities at amortised cost		1,234,471	1,297,529	797,317	686,040
Advances		58,710	79,143	148	756
Hedging instruments		1,076	16,320	–	5,134
		1,294,257	1,392,992	797,465	691,930

The amounts due to subsidiaries, joint ventures and related corporations were unsecured, interest-free and repayable on demand.

22 DEPOSITS AND OTHER PAYABLES

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Deposits	8,295	8,722	–	–
Accrued capital expenditure	70,303	50,113	–	–
Other payables	192,764	234,758	24,080	31,527
	271,362	293,593	24,080	31,527

The Group's and the Company's other payables included interest payable of $54.9 million (2018: $54.0 million) and $22.8 million (2018: $30.4 million) respectively and other sundry creditors.

23 REVENUE

This comprises revenue from container handling, marine services, operation of multi-purpose terminals, warehousing and logistics related services, software development and IT related services, consultancy fees but excludes intra-group transactions. Payment is due when services are provided to customer. Disaggregation of revenue is presented in note 30.

24 OTHER INCOME

	Group	
	2019	2018
	$'000	$'000
Dividend income from financial assets	56,530	52,378
Interest income from:		
Cash and bank balances	68,929	59,293
Joint ventures	67,528	41,272
Trade and other receivables	7,640	14,321
Gain on disposal of:		
Subsidiary	19,310	–
Joint ventures	–	2,543
Financial asset	589	–
Property, plant and equipment, net	10,976	9,722
Net change in fair value of equity investment at FVTPL	6,201	7,785
Exchange gain, net	–	7,513
Others	38,152	17,469
	275,855	212,296

25 STAFF AND RELATED COSTS

	Group	
	2019	2018
	$'000	$'000
Wages and salaries	932,704	883,101
Contributions to defined contribution plans	104,435	98,420
	1,037,139	981,521

26 SERVICE CONCESSION

Service concession revenue represents the fair value of the construction services provided. No margin has been recognised as the Group believes that the fair value of the construction services approximates the construction costs.

27 PROFIT FROM OPERATIONS

Profit from operations included the following items:

	Group	
	2019	2018
	$'000	$'000
Allowance for impairment on trade receivables	24,952	10,452
Loss on disposal of:		
Intangible assets	1,472	–
Subsidiary	–	8,760
Exchange loss, net	3,470	–
Operating lease expense	–	40,067
Expenses relating to:		
Short-term leases	12,276	–
Leases of low-value assets, excluding short-term leases of low-value assets	595	–
Variable lease payments not included in the measurement of lease liabilities	4,761	–

28 FINANCE COSTS

	Group	
	2019	2018
	$'000	$'000
Interest expense in relation to:		
Banks and other financial institutions	108,542	104,047
Fixed and floating rates notes holders	104,371	113,649
Lease liabilities	40,955	–
Service concession obligations	8,557	–
Non-controlling shareholders of subsidiaries	239	172
	262,664	217,868

29 INCOME TAX EXPENSE

	Group	
	2019	**2018**
	$'000	**$'000**
Current tax expense		
Current year	272,360	259,876
Over provided in prior years	(8,493)	(14,993)
	263,867	244,883
Deferred tax expense		
Movements in temporary differences	(67,386)	(23,677)
Under provided in prior years	615	7,688
	(66,771)	(15,989)
Income tax expense	197,096	228,894
Tax reconciliation		
Profit before income tax	1,462,544	1,479,654
Share of profit of associates, net of tax	(197,895)	(148,062)
Share of profit of joint ventures, net of tax	(157,962)	(192,032)
Profit before income tax excluding share of profit of associates and joint ventures, net of tax	1,106,687	1,139,560
Tax calculated using Singapore tax rate of 17% (2018: 17%)	188,137	193,725
Effect of different tax rates in other countries	2,153	2,017
Tax rebates and incentives	(19,515)	(15,952)
Income not subject to tax	(30,370)	(10,498)
Expenses not deductible for tax purposes	39,811	37,200
Change in unrecognised tax benefits	12,867	13,239
Withholding tax	11,891	16,468
Over provided in prior years	(7,878)	(7,305)
Income tax expense	197,096	228,894

30 OPERATING SEGMENTS

The Group is organised into business units based on their services and has two main reportable operating segments as follows:

- Port business: The provision of container handling, operation of multi-purpose terminals and other port related services.
- Marine business: The provision of marine services.

Other businesses are not significant and are therefore presented in aggregate as "others".

The Executive Committee and Senior Management Council of the Company monitor the operating results of the business units separately for the purpose of making strategic decisions. Performance is measured based on segment operating profit which includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis. Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Information about reportable segments

	Port business $'000	Marine business $'000	Others $'000	Total reportable segments $'000
Group				
31 December 2019				
Revenue				
Total revenue	3,697,963	287,657	110,757	4,096,377
Inter-segment revenue	(8,491)	(7,609)	(2,826)	(18,926)
External revenue	3,689,472	280,048	107,931	4,077,451
Operating profit	1,124,167	88,738	(5,284)	1,207,621
Material item				
Depreciation and amortisation	681,914	33,879	3,435	719,228
Segment assets	10,024,811	359,980	120,189	10,504,980
Segment liabilities	1,435,504	61,100	27,795	1,524,399
31 December 2018				
Revenue				
Total revenue	3,765,400	301,573	40,695	4,107,668
Inter-segment revenue	(8,082)	(13,373)	–	(21,455)
External revenue	3,757,318	288,200	40,695	4,086,213
Operating profit	1,134,879	87,695	(803)	1,221,771
Material item				
Depreciation and amortisation	624,300	37,699	1,084	663,083
Segment assets	8,275,471	352,709	114,415	8,742,595
Segment liabilities	1,395,796	75,403	28,041	1,499,240

The capital expenditure for port and marine business segments was $1,138.0 million (2018: $428.1 million) and $51.4 million (2018: $72.6 million) respectively.

Reconciliations of reportable segment operating profit, assets and liabilities

	Group	
	2019	**2018**
	$'000	**$'000**
Operating profit		
Operating profit for reportable segments	1,207,621	1,221,771
Corporate expenses	(110,655)	(76,639)
Other income	275,855	212,296
Exchange loss, net	(3,470)	–
Share of profit of associates, net of tax	197,895	148,062
Share of profit of joint ventures, net of tax	157,962	192,032
Finance costs	(262,664)	(217,868)
Profit before income tax	1,462,544	1,479,654
Segment assets		
Segment assets for reportable segments	10,504,980	8,742,595
Associates	3,130,037	3,418,825
Joint ventures	3,413,032	2,803,883
Cash and bank balances	3,188,073	4,054,386
Financial assets	1,296,117	1,187,432
Deferred tax assets	38,015	12,619
Hedging instruments	44,292	22,662
	21,614,546	20,242,402
Segment liabilities		
Segment liabilities for reportable segments	1,524,399	1,499,240
Corporate liabilities	112,459	108,712
Borrowings	5,961,305	5,841,298
Lease liabilities	1,045,262	–
Current tax payable	247,266	220,334
Deferred tax liabilities	495,184	493,943
Hedging instruments	9,388	33,429
	9,395,263	8,196,956

Geographical information

The Group operates principally in Southeast Asia, Europe, Mediterranean and The Americas and Rest of Asia. Segment revenue is based on geographical location of the operations. Segment assets are based on the geographical location of the assets. Non-current assets presented consist of property, plant and equipment, intangible assets, right-of-use assets and other non-current assets.

	Group	
	2019	**2018**
	$'000	**$'000**
Revenue		
Southeast Asia	2,889,111	2,824,791
Europe, Mediterranean and The Americas	824,173	762,391
Rest of Asia	364,167	499,031
	4,077,451	4,086,213

	Group	
	2019	2018
	$'000	$'000
Non-current assets		
Southeast Asia	4,924,809	4,414,735
Europe, Mediterranean and The Americas	2,663,438	1,328,209
Rest of Asia	2,011,208	2,023,412
	9,599,455	7,766,356

Revenue and non-current assets included $2,887.2 million (2018: $2,824.6 million) and $4,924.8 million (2018: $4,414.7 million) respectively from Singapore.

31 FINANCIAL RISK MANAGEMENT

Overview

Risk management is integral to the whole business of the Group. Exposure to credit, liquidity and market risks (including interest rate, currency and price risks) arises in the normal course of the Group's business. The Group has written risk management policies and guidelines. In addition, the Group has established processes to monitor and manage major exposures. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving hedging instruments are allowed only with counterparties that are of certain credit standing.

At 31 December 2019, there was no significant concentration of credit risk. The maximum exposure to credit risk was represented by the carrying amounts of each financial asset, including hedging instruments, in the statements of financial position.

The Group entities use varied methods including past due information to assess its exposure to credit risk which takes into account the risk characteristics of the customers. As trade and other receivables are short-term in nature, forward-looking information need not be incorporated. Credit risks are defined using qualitative and quantitative factors that are indicative of the risk of default.

A summary of these entities' exposure to credit risk for trade and accrued receivables as at 31 December are as follows:

	Gross carrying amount	Impairment loss allowance	Credit impaired
	$'000	$'000	
31 December 2019			
Not past due	384,101	(465)	No
Past due less than 30 days	105,575	(367)	No
Past due 30 - 120 days	64,739	(7,539)	No
Past due more than 120 days	87,543	(86,936)	Yes
	641,958	(95,307)	
31 December 2018			
Not past due	399,983	–	No
Past due less than 30 days	137,247	–	No
Past due 30 - 120 days	79,967	(1,085)	No
Past due more than 120 days	86,754	(69,659)	Yes
	703,951	(70,744)	

Movements in allowance for impairment

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group Lifetime ECL $'000
At 1 January 2018	59,902
Allowance for impairment	10,452
Amounts written off	(276)
Acquisition of subsidiaries	835
Translation differences on consolidation	(169)
At 31 December 2018	70,744
Allowance for impairment	24,952
Amounts written off	(263)
Acquisition of subsidiaries	113
Translation differences on consolidation	(239)
At 31 December 2019	95,307

Except for the impaired receivables, no allowance for impairment is considered necessary in respect of the remaining trade receivables, including those receivables that are past due, as the Group believes that the amounts are still collectible, based on historical payment patterns and good credit records maintained by the customers.

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing guarantees on behalf of.

At 31 December 2019, the Company has issued guarantees on behalf of its subsidiaries and joint ventures which amounted to $29.6 million (2018: $17.7 million). These guarantees would become immediately payable by the Company in the event of default by these subsidiaries and joint ventures.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The following are the expected contractual undiscounted cash inflows/(outflows) of non-derivative financial liabilities and hedging instruments, including interest payments and excluding the impact of netting agreements:

			Cash flows		
	Carrying amounts	Contractual cash flows	Within 1 year	Between 1 and 5 years	After 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
31 December 2019					
Non-derivative financial liabilities					
Interest-bearing liabilities	5,885,882	(6,381,471)	(1,959,141)	(2,803,953)	(1,618,377)
Lease liabilities	1,045,262	(1,578,365)	(94,087)	(297,948)	(1,186,330)
Loans from joint venture	65,868	(68,456)	(3,067)	(64,458)	(931)
Loans from non-controlling shareholders of subsidiaries	9,555	(10,482)	(185)	(742)	(9,555)
Trade and other payables	1,234,471	(1,234,471)	(1,234,471)	–	–
Hedging instruments					
- Assets	(44,292)				
Inflow		1,573,447	538,381	1,035,066	–
Outflow		(1,534,429)	(496,535)	(1,037,894)	–
- Liabilities	9,388				
Inflow		434,664	91,303	63,900	279,461
Outflow		(439,412)	(92,515)	(65,371)	(281,526)
	8,206,134	(9,238,975)	(3,250,317)	(3,171,400)	(2,817,258)
31 December 2018					
Non-derivative financial liabilities					
Interest-bearing liabilities	5,763,731	(6,648,013)	(1,424,812)	(3,816,116)	(1,407,085)
Loans from joint venture	68,012	(71,341)	(8,468)	(61,457)	(1,416)
Loans from non-controlling shareholders of subsidiaries	9,555	(10,680)	(225)	(900)	(9,555)
Trade and other payables	1,297,529	(1,297,529)	(1,297,529)	–	–
Hedging instruments					
- Assets	(22,662)				
Inflow		685,303	20,584	664,719	–
Outflow		(665,767)	(52,814)	(612,953)	–
- Liabilities	33,429				
Inflow		639,001	321,662	27,298	290,041
Outflow		(653,816)	(338,000)	(27,420)	(288,396)
	7,149,594	(8,022,842)	(2,779,602)	(3,826,829)	(1,416,411)

	Carrying amounts	Contractual cash flows	Cash flows Within 1 year	Between 1 and 5 years	After 5 years
	$'000	$'000	$'000	$'000	$'000
Company					
31 December 2019					
Non-derivative financial liabilities					
Interest-bearing liabilities	2,870,634	(3,199,914)	(760,809)	(837,406)	(1,601,699)
Trade and other payables	797,317	(797,317)	(797,317)	–	–
Hedging instruments					
- Assets	(3,825)				
Inflow		474,496	463,873	10,623	–
Outflow		(468,472)	(465,760)	(2,712)	–
– Liabilities	7,326				
Inflow		313,131	6,734	26,936	279,461
Outflow		(315,815)	(6,869)	(27,420)	(281,526)
	3,671,452	(3,993,891)	(1,560,148)	(829,979)	(1,603,764)
31 December 2018					
Non-derivative financial liabilities					
Interest-bearing liabilities	2,386,995	(2,765,427)	(786,317)	(1,060,943)	(918,167)
Trade and other payables	686,040	(686,040)	(686,040)	–	–
Hedging instruments					
- Liabilities	22,243				
Inflow		599,539	282,200	27,298	290,041
Outflow		(603,167)	(287,351)	(27,420)	(288,396)
	3,095,278	(3,455,095)	(1,477,508)	(1,061,065)	(916,522)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and fuel prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's interest-earning financial assets and interest-bearing financial liabilities. The Group's objective is to maintain a balance of fixed and floating rate exposures as well as a balanced maturity period. At the reporting date, the interest rate profile of the interest-bearing financial assets and liabilities was:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate				
Cash and bank balances	2,784,417	3,494,460	1,979,396	2,616,182
Borrowings	(2,956,453)	(3,454,400)	(2,352,347)	(2,386,995)
Lease liabilities	(1,045,262)	–	–	–
	(1,217,298)	40,060	(372,951)	229,187
Floating rate				
Cash and bank balances	403,656	559,926	28,917	105,423
Borrowings	(3,004,852)	(2,386,898)	(518,287)	–
	(2,601,196)	(1,826,972)	(489,370)	105,423

Hedging

The Group has raised funding with issuance of debt capital market instruments and bank loans to diversify funding sources. Interest rate swaps have been entered to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy.

Fair value hedge

A portion of the fixed rate Singapore dollar notes with a notional amount of $150 million in 2018 has been hedged against the exposure to changes in the fair value of the notes. In connection with this, the Group entered into interest rate swap contracts to receive fixed rate interest and pay variable rate on the $150 million notes. The Group is therefore exposed to market fluctuations in interest rates on the $150 million notes and the corresponding interest rate swap contracts. The swap was settled in 2019.

Cash flow hedge

A portion of the floating rate bank loans amounting to $630.0 million (2018: $630.0 million) have been hedged against the exposure to market fluctuations in interest rate payments. In connection with these loans, the Group entered into cross currency swap contracts to receive variable rate interest and pay fixed rate on the notional amounts. Both the floating rate bank loans and cross currency swaps have the same terms and conditions. The net fair value of the swaps as at 31 December 2019 comprises assets of $37.9 million (2018: $21.9 million). The weighted average interest rate of the swaps as at 31 December 2019 ranged from 7.52% to 9.03% (2018: 7.52% to 9.03%) and the SGD:INR forward exchange rate as at 31 December 2019 ranged from 45.22 to 53.40 (2018: 45.22 to 53.40). The swaps will mature in 2021. Reclassification adjustments are recorded in finance income/cost.

Sensitivity analysis

At 31 December 2019, it is estimated that a general increase of 100bps in interest rates would decrease the Group's profit before tax by approximately $19.7 million (2018: $13.5 million). A general decrease of 100bps in interest rates would have the equal but opposite effect on the Group's profit before tax. The general increase or decrease of 100bps in interest rates would have no significant impact on the Group's other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

At 31 December 2019, it is estimated that a general increase of 100bps in interest rates would decrease the Company's profit before tax by approximately $4.9 million (2018: increase by approximately $1.0 million). A general decrease of 100bps in interest rates would have the equal but opposite effect on the Company's profit before tax. The general increase or decrease of 100bps in interest rates would have no significant impact on the Company's other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects.

(b) *Foreign currency risk*

The Group is exposed to foreign currency risk on sales, purchases, bank deposits, bank loans and fixed and floating rates notes that are denominated in a currency other than the functional currencies of the Group entities. The functional currencies of the Group entities are primarily the Singapore dollar and the Euro. In respect of other monetary assets and liabilities held in currencies other than the functional currencies of the Group entities, the Group monitors the net exposure.

A portion of the Group and the Company's fixed rate bonds amounting to $269.4 million (2018: $272.0 million) has been hedged against the exposure to fluctuations in foreign currency. In connection with this, the Group and the Company entered into cross currency swap contracts to receive and pay fixed interest rate. Both the fixed rate bonds and foreign currency contracts have the same terms and conditions. The net fair value of the swaps as at 31 December 2019 comprises liabilities of $9.1 million (2018: $17.1 million). The weighted average SGD:USD forward exchange rate as at 31 December 2019 ranged from 0.73 to 0.74 (2018: 0.73 to 0.74). The swap will mature in 2026. Reclassification adjustments are recorded in finance income/cost.

The Group's US dollar and Hong Kong dollar denominated unsecured bank loans, fixed and floating rates notes amounting to $2.07 billion (2018: $1.95 billion) are designated as hedging instruments for the Group's investments in its associates.

The Group's (excluding the US dollar and Hong Kong dollar denominated unsecured bank loans, fixed and floating rates notes designated as hedging instruments for the Group's investments in its associates) and Company's significant exposures to foreign currencies were as follows:

	2019		2018	
	HK Dollar	US Dollar	HK Dollar	US Dollar
	$'000	$'000	$'000	$'000
Group				
Financial assets	516	296,734	516	415,619
Other non-current assets	–	134,847	–	135,570
Cash and bank balances	12,169	85,130	18,804	178,581
Trade and other receivables	–	85,797	–	74,567
Interest-bearing liabilities	–	(28,283)	–	(166,518)
Trade and other payables	(10,481)	(61,301)	(10,560)	(91,066)
	2,204	512,924	8,760	546,753
Company				
Financial assets	–	76,633	–	110,625
Loans to subsidiaries	–	990,659	–	1,045,147
Cash and bank balances	12,143	29,474	14,146	166,292
Interest-bearing liabilities	(345,838)	(1,878,563)	(348,365)	(1,765,649)
Trade and other payables	(10,481)	(10,107)	(10,560)	(19,841)
	(344,176)	(791,904)	(344,779)	(463,426)

Sensitivity analysis

At 31 December 2019, it is estimated that a 10% strengthening in the Singapore dollar against the Hong Kong dollar would decrease the Group's profit before tax by approximately $0.2 million (2018: $0.8 million) and decrease the Group's other comprehensive income by approximately $0.05 million (2018: $0.05 million). A 10% weakening in the Singapore dollar against the Hong Kong dollar would have the equal but opposite effect on the Group's profit before tax and other comprehensive income.

At 31 December 2019, it is estimated that a 10% strengthening in the Singapore dollar against the US dollar would decrease the Group's profit before tax by approximately $21.6 million (2018: $13.1 million) and decrease the Group's other comprehensive income by approximately $29.7 million (2018: $41.6 million). A 10% weakening in the Singapore dollar against the US dollar would have the equal but opposite effect on the Group's profit before tax and other comprehensive income.

At 31 December 2019, it is estimated that a 10% strengthening in the Singapore dollar against the Hong Kong dollar would increase the Company's profit before tax by approximately $34.4 million (2018: $34.5 million). A 10% weakening in the Singapore dollar against the Hong Kong dollar would have the equal but opposite effect on the Company's profit before tax.

At 31 December 2019, it is estimated that a 10% strengthening in the Singapore dollar against the US dollar would increase the Company's profit before tax by approximately $86.9 million (2018: $57.4 million) and decrease the Company's other comprehensive income by approximately $7.7 million (2018: $11.1 million). A 10% weakening in the Singapore dollar against the US dollar would have the equal but opposite effect on the Company's profit before tax and other comprehensive income.

This analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

(c) *Equity price risk*

Equity security price risk is the risk of changes in fair value of the Group's investments due to changes in the underlying equity securities prices. The risk is concentrated in the Group's investments in equity securities.

Sensitivity analysis

At 31 December 2019, it is estimated that a 10% increase in the underlying equity prices would increase the Group's profit before tax by approximately $1.1 million (2018: nil) and increase the Group's other comprehensive income by $128.5 million (2018: $118.7 million). A 10% decrease in the underlying equity prices would have the equal but opposite effect on the Group's profit before tax and other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

32 FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

(a) *Quoted equity securities and trust units*

Fair value is based on quoted bid prices at the reporting date, without any deduction for transaction costs.

(b) *Hedging instruments*

The fair value of interest rate swaps, cross currency swaps and fuel forward contracts is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(c) *Fixed rate interest-bearing borrowings*

Fair value is calculated based on quoted offer price or discounted expected future principal and interest cash flows using market interest rates.

(d) *Floating rate interest-bearing borrowings*

The Group believes that the carrying amounts of floating rate interest-bearing loans, which are repriced at least semi-annually, reflect the corresponding fair values.

(e) *Finance lease liabilities*

The fair value of finance lease liabilities is estimated as the present value of future cash flows, discounted at market interest rates for homogeneous lease agreements. The estimated fair values reflect changes in interest rates.

(f) *Other financial assets and liabilities*

The notional amounts of financial assets and liabilities with a maturity of less than one year (including cash and bank balances, trade and other receivables, trade and other payables, current borrowings) are assumed to approximate their fair values because of the short period to maturity.

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities are as follows.

	Note	Amortised cost	FVTPL – equity instruments	FVOCI – equity instruments	Fair value – hedging instruments	Other financial liabilities	Total carrying amounts
		$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2019							
Equity investments at FVOCI	9	–	–	1,285,286	–	–	1,285,286
Equity investments at FVTPL	9	–	10,831	–	–	–	10,831
Hedging instruments	10,12	–	–	–	44,292	–	44,292
		–	10,831	1,285,286	44,292	–	1,340,409
Other non-current assets	10	192,369	–	–	–	–	192,369
Trade and other receivables	12	863,162	–	–	–	–	863,162
Cash and bank balances	15	3,188,073	–	–	–	–	3,188,073
		4,243,604	–	–	–	–	4,243,604
Hedging instruments	20,21	–	–	–	(9,388)	–	(9,388)
Unsecured fixed and floating rates notes	18	–	–	–	–	(2,752,077)	(2,752,077)
Secured bank loans	18	–	–	–	–	(868,354)	(868,354)
Unsecured bank loans	18	–	–	–	–	(2,265,451)	(2,265,451)
Loans from joint venture	18	–	–	–	–	(65,868)	(65,868)
Loans from non-controlling shareholders of subsidiaries	18	–	–	–	–	(9,555)	(9,555)
Lease liabilities	18	–	–	–	–	(1,045,262)	(1,045,262)
Trade and other payables	21	–	–	–	–	(1,234,471)	(1,234,471)
		–	–	–	–	(8,241,038)	(8,241,038)

	Note	Amortised cost	FVTPL – equity instruments	FVOCI – equity instruments	Fair value – hedging instruments	Other financial liabilities	Total carrying amounts
		$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2018							
Equity investments at FVOCI	9	–	–	1,187,432	–	–	1,187,432
Hedging instruments	10,12	–	–	–	22,662	–	22,662
		–	–	1,187,432	22,662	–	1,210,094
Other non-current assets	10	196,286	–	–	–	–	196,286
Trade and other receivables	12	921,584	–	–	–	–	921,584
Cash and bank balances	15	4,054,386	–	–	–	–	4,054,386
		5,172,256	–	–	–	–	5,172,256
Hedging instruments	20,21	–	–	–	(33,429)	–	(33,429)
Unsecured fixed and floating rates notes	18	–	–	–	–	(3,088,581)	(3,088,581)
Secured bank loans	18	–	–	–	–	(1,120,758)	(1,120,758)
Unsecured bank loans	18	–	–	–	–	(1,541,782)	(1,541,782)
Loans from joint venture	18	–	–	–	–	(68,012)	(68,012)
Loans from non-controlling shareholders of subsidiaries	18	–	–	–	–	(9,555)	(9,555)
Finance lease liabilities	18	–	–	–	–	(12,610)	(12,610)
Trade and other payables	21	–	–	–	–	(1,297,529)	(1,297,529)
		–	–	–	–	(7,138,827)	(7,138,827)

	Note	Amortised cost $'000	FVOCI – equity instruments $'000	Fair value – hedging instruments $'000	Other financial liabilities $'000	Total carrying amounts $'000
Company						
31 December 2019						
Equity investments at FVOCI	9	–	76,633	–	–	76,633
Hedging instruments	10,12	–	–	3,825	–	3,825
		–	76,633	3,825	–	80,458
Other non-current assets	10	17,664	–	–	–	17,664
Trade and other receivables	12	152,066	–	–	–	152,066
Cash and bank balances	15	2,008,313	–	–	–	2,008,313
		2,178,043	–	–	–	2,178,043
Hedging instruments	20,21	–	–	(7,326)	–	(7,326)
Unsecured fixed and floating rates notes	18	–	–	–	(1,018,766)	(1,018,766)
Unsecured bank loans	18	–	–	–	(518,287)	(518,287)
Unsecured loan from subsidiary	18	–	–	–	(1,333,581)	(1,333,581)
Trade and other payables	21	–	–	–	(797,317)	(797,317)
		–	–	–	(3,667,951)	(3,667,951)
31 December 2018						
Equity investments at FVOCI	9	–	110,625	–	–	110,625
Other non-current assets	10	22,787	–	–	–	22,787
Trade and other receivables	12	133,678	–	–	–	133,678
Cash and bank balances	15	2,721,605	–	–	–	2,721,605
		2,878,070	–	–	–	2,878,070
Hedging instruments	20, 21	–	–	(22,243)	–	(22,243)
Unsecured fixed and floating rates notes	18	–	–	–	(1,711,669)	(1,711,669)
Unsecured loan from subsidiary	18	–	–	–	(675,326)	(675,326)
Trade and other payables	21	–	–	–	(686,040)	(686,040)
		–	–	–	(3,073,035)	(3,073,035)

As at 31 December 2019, the Group's fair value of unsecured fixed and floating rates notes was $2.8 billion (2018: $3.1 billion). The Company's fair values of unsecured fixed and floating rates notes and unsecured loan from subsidiary were $1.0 billion (2018: $1.7 billion) and $1.4 billion (2018: $0.7 billion) respectively. The fair values of other financial assets and liabilities approximate their carrying amounts.

Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and financial liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2019				
Equity instruments at FVOCI	1,125,050	–	160,236	1,285,286
Equity investments at FVTPL	3,519	–	7,312	10,831
Hedging instrument assets	–	44,292	–	44,292
	1,128,569	44,292	167,548	1,340,409
Hedging instrument liabilities	–	(9,388)	–	(9,388)
31 December 2018				
Equity instruments at FVOCI	1,050,837	–	136,595	1,187,432
Hedging instrument assets	–	22,662	–	22,662
	1,050,837	22,662	136,595	1,210,094
Hedging instrument liabilities	–	(33,429)	–	(33,429)
Unsecured fixed rate notes	–	(150,623)	–	(150,623)
	–	(184,052)	–	(184,052)
Company				
31 December 2019				
Equity instruments at FVOCI	76,633	–	–	76,633
Hedging instrument assets	–	3,825	–	3,825
	76,633	3,825	–	80,458
Hedging instrument liabilities	–	(7,326)	–	(7,326)
31 December 2018				
Equity instruments at FVOCI	110,625	–	–	110,625
Hedging instrument liabilities	–	(22,243)	–	(22,243)

Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed*

	Level 1 $'000	Level 2 $'000	Total $'000
Group			
31 December 2019			
Other non-current assets	–	192,369	192,369
Unsecured fixed and floating rates notes	–	(2,778,702)	(2,778,702)
Secured bank loans	–	(868,354)	(868,354)
Unsecured bank loans	–	(2,265,451)	(2,265,451)
Loans from joint venture	–	(65,868)	(65,868)
Loans from non-controlling shareholders of subsidiaries	–	(9,555)	(9,555)
Lease liabilities	–	(1,045,262)	(1,045,262)
	–	(7,033,192)	(7,033,192)
31 December 2018			
Other non-current assets	–	196,286	196,286
Unsecured fixed and floating rates notes	–	(3,091,650)	(3,091,650)
Secured bank loans	–	(1,120,758)	(1,120,758)
Unsecured bank loans	–	(1,541,782)	(1,541,782)
Loans from joint venture	–	(68,012)	(68,012)
Loans from non-controlling shareholders of subsidiaries	–	(9,555)	(9,555)
Finance lease liabilities	–	(12,610)	(12,610)
	–	(5,844,367)	(5,844,367)
Company			
31 December 2019			
Unsecured fixed and floating rates notes	–	(1,047,496)	(1,047,496)
Unsecured bank loans	–	(518,287)	(518,287)
Unsecured loan from subsidiary	–	(1,395,367)	(1,395,367)
	–	(2,961,150)	(2,961,150)
31 December 2018			
Unsecured fixed and floating rates notes	–	(1,748,292)	(1,748,292)
Unsecured loan from subsidiary	–	(678,395)	(678,395)
	–	(2,426,687)	(2,426,687)

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial

33 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) *Acquisition of subsidiaries*

The Group acquired equity interests in subsidiaries in Canada and America during 2019 and mainly in Singapore and Canada during 2018. The acquisition of the subsidiaries has no significant impact to the Group's net profit for the year. The effects of the acquisition on the financial position of the Group were as follows:

	Group	
	2019	**2018**
	$'000	**$'000**
Property, plant and equipment	150,331	85,265
Intangible assets	553,585	44,258
Right-of-use assets	65,024	–
Financial assets	–	1,514
Deferred tax assets	–	611
Other non-current assets	4,661	113
Cash and bank balances	3,353	33,459
Other current assets	21,009	73,016
Borrowings	(53,269)	(27,649)
Lease liabilities	(64,659)	–
Current tax payable	–	(2,091)
Deferred tax liabilities	(2,751)	(248)
Provisions	(1,176)	–
Other non-current obligations	(1,322)	(428)
Other current liabilities	(7,710)	(37,030)
Identifiable net assets	667,076	170,790
Less: Non-controlling interests	–	(56,321)
Total identifiable net assets	667,076	114,469
Less: Amounts previously accounted for as financial asset and joint venture	–	(1,968)
Gain on disposal of joint venture	–	(2,543)
Net change in fair value of equity investments at FVTPL	–	(7,785)
Total consideration paid	667,076	102,173
Cash acquired	(3,353)	(33,459)
Net cash outflow on acquisition of subsidiaries	663,723	68,714

(b) Disposal of subsidiaries

The Group disposed equity interest in a subsidiary in Korea during 2019 and in America during 2018. The effects of the disposal on the financial position of the Group were as follows:

	Group	
	2019	2018
	$'000	$'000
Property, plant and equipment	149,922	711,381
Intangible assets	176,552	–
Right-of-use assets	470,154	–
Deferred tax assets	300	–
Other non-current assets	–	2,956
Cash and bank balances	74,594	7,756
Other current assets	26,976	30,945
Borrowings	(235,014)	(196,770)
Lease liabilities	(473,657)	–
Other non-current obligations	–	(2,930)
Current liabilities	(35,145)	(7,212)
Net assets derecognised	154,682	546,126
Non-controlling interests	(21,312)	7,215
Reclassification of reserves	(6,214)	11,578
Accounted for as investments in joint ventures	(99,986)	(179,411)
Accounted for as loans to joint ventures	–	(234,894)
Accounted for as amounts due from joint ventures	–	(12,933)
Net assets disposed	27,170	137,681
Gain/(loss) on disposal of subsidiaries	19,310	(8,760)
Total consideration deferred	–	(128,921)
Total consideration in kind	(3,739)	–
Cash and bank balances disposed	(74,594)	(7,756)
Disposal of subsidiaries, net of cash disposed	(31,853)	(7,756)

34 COMMITMENTS

As at the reporting dates, the Group had the following commitments:

	Group	
	2019	2018
	$'000	$'000
(a) Capital commitments which have been authorised and contracted but not provided for in the financial statements	1,257,834	407,468
(b) Non-cancellable operating lease commitments:		
Within 1 year		21,109
Between 1 and 5 years		32,724
After 5 years		75

In 2018, the Group leases equipment and office premises under operating leases. The leases ran over various periods with some leases continuing an option to renew the lease upon expiry. In 2019, the Group, on transition to SFRS(I) 16, recognises operating leases on balance sheet (see note 2.2).

35 RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors and Senior Management Council of the Company are considered as key management personnel of the Group.

The compensation paid or payable to key management personnel comprised:

	Group	
	2019	2018
	$'000	$'000
Directors' fees	4,230	2,715
Senior Management Council remuneration	19,787	18,300
	24,017	21,015

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties were as follows:

	Group	
	2019	2018
	$'000	$'000
Provision of services		
Related corporations	1,193	1,357
Joint ventures	62,487	65,681
Purchase of services		
Related corporations	(20,448)	(29,943)
Joint ventures	(137,203)	(133,668)

36 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2019, and have not been applied in preparing these financial statements. The Group has yet to assess the full impact of these standards and will apply these standards as and when they become effective.

37 SUBSEQUENT EVENTS

On 12 February 2020, the Group completed the acquisition of 100% interest in Tramarsa Flota S.A and its subsidiaries which provide maritime services along the Peruvian coastline. The financial effect of this acquisition on the Group could not be reasonably estimated at the date of approval of these financial statements.

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