

IMPORTANT NOTICE

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

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

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (as defined in Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States (“U.S.”) nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”) nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this email has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined under Section 4A of the SFA) pursuant to Section 274 of the SFA, a relevant person (as defined under Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or a person to whom an offer is being made 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 and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the “SFA” is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of National Environment Agency, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

Restrictions: The attached information memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

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

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of National Environment Agency and DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of National Environment Agency in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

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

Actions that You May Not Take: If you receive this information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

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

You are responsible for protecting against viruses and other destructive items. If you receive this information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



National Environment Agency

S\$3,000,000,000 **Multicurrency Medium Term Note Programme** **(the “Programme”)**

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the “Notes”) to be issued from time to time by National Environment Agency (the “Issuer”) pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 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, Chapter 289 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.

Arranger



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NOTICE

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

This Information Memorandum contains information with regard to the Issuer, the Programme and the Notes. The Issuer confirms that this Information Memorandum contains all information which is material in the context of the Programme and the issue and offering of the Notes, that the information contained herein is true and correct in all material respects, the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Notes would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect.

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

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Agency Agreement referred to below) shall be S\$3,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement (as defined herein).

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, any of the Dealers or any of the Agents (as defined herein). Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, or constitutes an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger, any of the Dealers or any of the Agents to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be prohibited or restricted by law. Persons who

distribute or publish this Information Memorandum or any such other document or information (or any part thereof) or into whose possession this Information Memorandum or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been and will not be registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes (as defined below) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")).

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Information Memorandum see the section "SUBSCRIPTION, PURCHASE AND DISTRIBUTION" below.

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

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

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

The Arranger, the Dealers and the Agents have not independently verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers, any of the Agents or any of their respective officers or employees is making any representation, warranty or undertaking expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer. Further, none of the Arranger, the Dealers or the Agents makes any representation or warranty as to the Issuer or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

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

thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer, and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer. Accordingly, notwithstanding anything herein, (1) neither the Arranger, nor any of the Dealers, any of the Agents or any of their respective officers, employees or agents shall be held responsible or liable as to the correctness or completeness of the information contained in this Information Memorandum or any other information provided by the Issuer or any of its respective officers, employees or agents in connection with the Notes or their distribution and (2) none of the Issuer, the Arranger, the Dealers or the Agents or any of their respective officers, employees or agents shall be held responsible or liable for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

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

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports and audited financial statements of the Issuer and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection during usual office hours with prior notice at the specified office of the Fiscal Agent (as defined herein).

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

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section "SUBSCRIPTION, PURCHASE AND DISTRIBUTION" on pages 68 to 74 of this Information Memorandum.

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

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

Notification under Section 309B of the SFA

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

MiFID II product governance/target market

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

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

UK MiFIR product governance/target market

The applicable Pricing Supplement in respect of any Notes may include a legend titled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Prohibition of Sales to EEA Retail Investors

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the “**EUWA**”); or (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 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 (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

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

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

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

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

Neither the delivery of this Information Memorandum nor the issue of any Notes by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

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

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

“Agency Agreement”	:	The Agency Agreement dated 30 July 2021 made between (1) the Issuer, as issuer, (2) the Fiscal Agent, as fiscal agent, (3) the Principal Paying Agent, as principal paying agent, (4) the Agent Bank, as agent bank, and (5) the Registrar, as registrar and transfer agent, as amended, restated or supplemented from time to time.
“Agent Bank”	:	DBS Bank Ltd.
“Agents”	:	The Fiscal Agent, the Principal Paying Agent, the Agent Bank, the Registrar and the Transfer Agent.
“Arranger”	:	DBS Bank Ltd.
“Bearer Notes”	:	Notes in bearer form.
“Board”	:	Board of Members of the Issuer.
“Business Day”	:	In respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which the Depository is operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Fiscal Agent’s specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazette public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
“CDP” or the “Depository”	:	The Central Depository (Pte) Limited.
“Certificate”	:	A registered certificate representing one or more Registered Notes of the same Series and, save as provided in the Conditions, comprising the entire holding by a holder of Registered Notes of that Series.
“CO2”	:	Carbon dioxide.

“Companies Act”	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
“Conditions”	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part C of Schedule 2 to the Agency Agreement, as modified, with respect to any Notes represented by a Global Note or a Global Certificate, by the provisions of such Global Note or, as the case may be, Global Certificate shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes or, as the case may be, Certificates subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Part C of Schedule 2 to the Agency Agreement, and any reference to a particularly numbered Condition shall be construed accordingly.
“Couponholders”	:	The holders of the Coupons.
“Coupons”	:	The bearer coupons appertaining to an interest bearing Definitive Note.
“Dealers”	:	Persons appointed as dealers under the Programme.
“Definitive Note”	:	A definitive Bearer Note having, where appropriate, Coupons and/or a Talon attached on issue.
“Euro”	:	The lawful 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.
“Fiscal Agent”	:	DBS Bank Ltd.
“FY”	:	Financial year ended or ending 31 March.
“Global Certificate”	:	A Certificate representing Registered Notes of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, CDP.
“Global Note”	:	A global Note representing Bearer Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons or a Talon.
“HDB”	:	Housing and Development Board.
“IRAS”	:	Inland Revenue Authority of Singapore.

“Issuer” or “NEA”	:	National Environment Agency.
“ITA”	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
“Latest Practicable Date”	:	23 July 2021.
“MAS”	:	The Monetary Authority of Singapore.
“Members”	:	The members of the Board as at the date of this Information Memorandum, unless otherwise stated.
“NEA Act”	:	National Environment Agency Act, Chapter 195 of Singapore, as amended or modified from time to time.
“Noteholders”	:	The holders of the Notes.
“Notes”	:	The Notes issued or to be issued by the Issuer under the Programme (and shall, where the context so admits, include the Global Notes, Global Certificates, Definitive Notes and Certificates).
“Paying Agents”	:	Principal Paying Agent and such further or other paying agent or paying agents as may be appointed from time to time under the Programme (and if no further or other paying agent is appointed, references to Paying Agent shall mean Principal Paying Agent).
“Permanent Global Note”	:	A Global Note representing Bearer Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note.
“Pricing Supplement”	:	In relation to a Tranche or Series, a pricing supplement to be read in conjunction with the Information Memorandum, specifying the relevant issue details in relation to such Tranche or Series, as the case may be.
“Principal Paying Agent”	:	DBS Bank Ltd.
“Programme”	:	The S\$3,000,000,000 Multicurrency Medium Term Note Programme of the Issuer established by the Issuer pursuant to the Programme Agreement.
“Programme Agreement”	:	The Programme Agreement dated 30 July 2021 made between (1) the Issuer, as issuer, and (2) the Arranger, as arranger, as amended, varied or supplemented from time to time.
“PUB”	:	Public Utilities Board.
“Registered Notes”	:	Notes in registered form.

“Registrar”	:	DBS Bank Ltd.
“Securities Act”	:	Securities Act of 1933 of the United States, as amended.
“Series”	:	A Tranche, together with any further Tranche or Tranches, which are (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest.
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Talons”	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.
“TARGET System”	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
“tCO2e”	:	Tonnes of CO2-equivalent.
“Temporary Global Note”	:	A Global Note representing Bearer Notes of one or more Tranches of the same Series on issue.
“tpd”	:	Tonnes per day.
“Tranche”	:	Notes which are identical in all respects (including as to listing).
“Transfer Agent”	:	DBS Bank Ltd., as transfer agent (or such further or other transfer agent or transfer agents as may be appointed from time to time under the Programme).
“United States” or “U.S.”	:	United States of America.
“S\$” and “cents”	:	Singapore dollars and cents respectively.
“%”	:	Per cent.

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

CORPORATE INFORMATION

Issuer	:	National Environment Agency
Board of Members	:	Mr Lee Chuan Seng Mr Ravinder Singh Mr Luke Goh Peng Ee Ms Lynette Leong Chin Yee Professor Ho Teck Hua Ms Jackie Chew Mr Choo Chee Wee, Bernard Mr Quek Suan Kiat Ms Sylvia Choo Mr Suhaimi Zainul-Abidin Mr Lim Eng Hwee Mr Puah Kok Keong Ms Susan Chong Dr Andrew Khoo
Board Secretary	:	Ms Ang Ping Hua
Registered Office	:	40 Scotts Road #13-00 Environment Building Singapore 228231
Auditors commencing from the financial year ended 31 March 2020	:	Ernst & Young LLP One Raffles Quay Level 18 North Tower Singapore 048583
Arranger of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arranger	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Fiscal Agent, the Principal Paying Agent, the Agent Bank and the Registrar	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Issuer	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Fiscal Agent, Principal Paying Agent, Agent Bank and Registrar	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) Jurong Gateway Singapore 608838

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	National Environment Agency
Arranger	:	DBS Bank Ltd.
Dealer	:	Such Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Fiscal Agent, Agent Bank, Principal Paying Agent and Registrar	:	DBS Bank Ltd.
Description	:	Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding at any time shall be S\$3,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, the Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	The Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis or by way of tender. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	The Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	The Notes may bear interest at fixed or floating rates.

Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	<p>Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S\$ SIBOR or S\$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.</p> <p>Floating rate notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).</p>
Form and Denomination of Notes	:	<p>The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP and will be exchangeable, upon request as described therein, either for a Permanent Global Note or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein. Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the terms and conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.</p>
Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository.

Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without preference among themselves. The payment obligations of the Issuer under the Notes and Coupons shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer.
Optional Redemption and Purchase at the Option of the Issuer or the Noteholders	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption at the Option of the Noteholders upon the Issuer ceasing to be a statutory board	:	If, as a result of any amendment to, or repeal of, the NEA Act or any other statute, the Issuer ceases to be a statutory board or the Notes cease to be the obligations of the Issuer and any such event would materially and adversely affect the interests of the Noteholders, the Issuer will, at the option of the holder of any Note, purchase such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for purchase.
Redemption at the Option of the Issuer for Taxation Reasons	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public or becomes effective on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Events of Default	:	See Condition 9 of the Notes.
Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "SINGAPORE TAXATION" herein.
Listing	:	<p>Each Series of the Notes may, if so decided by the Issuer, be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.</p> <p>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 foreign currencies).</p>
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, please see the section on "SUBSCRIPTION, PURCHASE AND DISTRIBUTION" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

TERMS AND CONDITIONS OF THE NOTES

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

The Notes are issued pursuant to an Agency Agreement dated 30 July 2021 made between (1) National Environment Agency, as issuer (the “**Issuer**”), (2) DBS Bank Ltd., as fiscal agent (in such capacity, the “**Fiscal Agent**”), (3) DBS Bank Ltd., as paying agent (in such capacity, the “**Principal Paying Agent**” and, together with any other paying agents that may be appointed, the “**Paying Agents**”), (4) DBS Bank Ltd., as agent bank (in such capacity, the “**Agent Bank**”) and (5) DBS Bank Ltd., as registrar and transfer agent (in such capacity, the “**Registrar**” and, together with any other transfer agents that may be appointed, the “**Transfer Agents**”) (as amended, restated and supplemented from time to time, the “**Agency Agreement**”), and (where applicable) with the benefit of a deed of covenant dated 30 July 2021 executed by the Issuer (as amended and supplemented from time to time, the “**Deed of Covenant**”). These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Agency Agreement. The Noteholders (as defined below) and the holders (the “**Couponholders**”) of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Agency Agreement and the Deed of Covenant.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified office of the Fiscal Agent for the time being.

1. Form, Denomination, Title and Transfer

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (the “**Bearer Notes**”) or in registered form (the “**Registered Notes**”) in each case in the Denomination Amount shown hereon.
- (ii) This Note is a Fixed Rate Note or a Floating Rate Note (depending upon the Interest Basis shown on its face).
- (iii) 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 default interest referred to in Condition 6(h)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (the “**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

- (i) Title to the Bearer Notes and the Coupons or Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof (or that of the related Certificate) or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Note (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Note or, as the case may be, Global Certificate is held by The Central Depository (Pte) Limited (the “**Depository**”), each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent, the Paying Agents, the Agent Bank, the Transfer Agents, the Registrar and all other agents of the Issuer as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, redemption, purchase and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note or, as the case may be, the person whose name is shown on the Register at the close of business on the Record Date (as defined in Condition 6(b)(ii)) shall be treated by the Issuer, the Fiscal Agent, the Paying Agents, the Agent Bank, the Transfer Agents, the Registrar and all other agents of the Issuer as the holder of such Notes in accordance with and subject to the terms of the Global Note or, as the case may be, the Global Certificate (and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions, where the context requires, shall be construed accordingly). Notes which are represented by the Global Note or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository.
- (iv) In these Conditions, “**Global Note**” means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, “**Global Certificate**” means the relevant Global Certificate representing such Series that is registered in the name of the Depository, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Bearer Note, Coupon or Talon) means the bearer of any Bearer Note or Coupon or the person in whose name a Registered Note is registered (as the case may be), “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).

- (v) Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other 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 such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of 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 Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer and the Registrar, (in the case of any regulation proposed by the Issuer) with the prior written approval of the Fiscal Agent, the Transfer Agents and the Registrar. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request. For the avoidance of doubt, a Registered Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Registered Note will be valid unless and until entered on the Register.
- (c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes:** In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within 10 business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 5(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise 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 form of transfer, Exercise 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 Registrar or 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, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

- (e) **Transfers Free of Charge:** Transfers of Notes and registration and issues of 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 such transfers, registration and issues (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) 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), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date.

3. Status

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

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 4(II)(d)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and, if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount shown on the face of such Note.

Interest will cease to accrue on each Fixed Rate Note from (and including) the due date for redemption thereof unless, upon due presentation, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to (but excluding) the Relevant Date (as defined in Condition 7).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 4(II)(d)) shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 4(II)(d)) for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (as defined in Condition 4(II)(d)).

For the purposes of these Conditions, “**Fixed Rate Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date (“**Interest Payment Date**”). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be). If any Interest Payment 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 (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) 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, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) 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 (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

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 is herein called an “**Interest Period**”.

Interest will cease to accrue on each Floating Rate Note from (and including) the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to (but excluding) the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “Spread” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(III)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the “**Rate of Interest**”.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

- (1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent

Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

- (C) if on any Interest Determination Date two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with paragraph (b)(ii)(1)(B) above on the basis of the quotations of those Reference Banks providing such quotations;
 - (D) if on any Interest Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any); and
 - (E) if the Agent Bank is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(1)(A) to (b)(ii)(1)(D) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(1)(A), (b)(ii)(1)(B), (b)(ii)(1)(C) or (b)(ii)(1)(D) above shall have applied;
- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Agent Bank 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 as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks or such other Screen Page as may be provided hereon) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
 - (B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page thereof or if no such rate appears on such other Screen Page as may be provided hereon) or the Reuters Screen ABSFIX01 Page (or such other replacement page thereof or if no such rate appears on such other Screen Page as may be provided hereon) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary,

to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select (in consultation with the Issuer) and as adjusted by the Spread (if any);

- (C) if on any Interest Determination Date, the Agent Bank is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and
 - (D) if the Agent Bank is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (b)(ii)(2)(A) to (b)(ii)(2)(C) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraph (b)(ii)(2)(A), (b)(ii)(2)(B) or (b)(ii)(2)(C) above shall have applied; and
- (3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:
- (A) if the Primary Source (as defined in Condition 4(II)(d)) for the Floating Rate Notes is a Screen Page (as defined in Condition 4(II)(d)), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
 - (aa) the Relevant Rate (as defined in Condition 4(II)(d)) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date

and as adjusted by the Spread (if any);

- (B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined in Condition 4(II)(d)) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and
- (C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

- (iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Minimum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 4(II)(b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

(d) Definitions

As used in these Conditions:

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means, in respect of each Note, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which the Depository is operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Fiscal Agent’s specified office and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET

System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

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

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with Condition 4:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes) the Fixed Rate Interest Period or (in the case of Floating Rate Notes) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes) the Fixed Rate Interest Period or (in the case of Floating Rate Notes) the Interest Period in respect of which payment is being made divided by 360;
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes) the Fixed Rate Interest Period or (in the case of Floating Rate Notes) the Interest Period in respect of which payment is being made divided by 365; and
- (iv) if “30/360” is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes) the Fixed Rate Interest Period or (in the case of Floating Rate Notes) the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

“**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;

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

“**Interest Determination Date**” means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

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

“**Primary Source**” means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Agent Bank;

“**Reference Banks**” means the institutions specified by the Issuer as such in the applicable Pricing Supplement or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

“**Relevant Currency**” means the currency in which the Notes are denominated;

“**Relevant Financial Centre**” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“**Relevant Rate**” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

“**Relevant Time**” means, with respect to any Interest Determination Date, 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;

“**Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark;

“Singapore dollar(s)” means the lawful currency of Singapore; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the **“Interest Amounts”**) in respect of each Calculation Amount of the relevant Floating Rate Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Fiscal Agent, the Issuer and each of the Paying Agents as soon as practicable after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Issuer will, or will request the Agent Bank (having given reasonable notice in writing) to, also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 14 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts needs to be made.

(c) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Benchmark Discontinuation and Replacement

(a) Independent Adviser

Notwithstanding the provisions above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(IV)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(IV)(c)) and any Benchmark Amendments (in accordance with Condition 4(IV)(d)). An Independent Adviser appointed pursuant to this Condition 4(IV) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of gross negligence, bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Principal Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(IV).

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate prior to the relevant Interest Determination Date or Interest Payment Date (as the case may be), the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(IV)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(IV)(c)) and any Benchmark Amendments (in accordance with Condition 4(IV)(d)).

(b) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(IV)(a)) (as the case may be) determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(IV)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(IV)); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(IV)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(IV)).

(c) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(IV)(a)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(IV) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(IV)(a)) (as the case may be) determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(IV)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Principal Paying Agent of a certificate in English signed by two authorised signatories of the Issuer pursuant to Condition 4(IV)(e), the Principal Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Agency Agreement and these Conditions), provided that the Principal Paying Agent shall not be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions or the Agency Agreement (including, for the avoidance of doubt, any supplemental agreement) in any way.

For the avoidance of doubt, the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(IV). Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Fiscal Agent, the Paying Agents, the Agent Bank, the Registrar or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 4(IV)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(IV) will be notified promptly by the Issuer to the Agent Bank, the Paying Agents and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date for such Successor Rate, such Alternative Rate (as the case may be), any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Principal Paying Agent of the same, the Issuer shall deliver to the Principal Paying Agent a certificate in English addressed to the Principal Paying Agent and signed by two authorised signatories of the Issuer:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(IV); and

- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Principal Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent Bank, the Principal Paying Agent and the Noteholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(IV)(a), 4(IV)(b), 4(IV)(c) and 4(IV)(d), the Original Reference Rate and the fallback provisions provided for in Condition 4 will continue to apply unless and until the Agent Bank has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(IV)(e).

(g) Definitions

As used in this Condition 4(IV):

“Adjustment Spread” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(IV)(a)) (as the case may be) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (2) in the case of a Successor Rate for which no such recommendation has been made, or in the case of an Alternative Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(IV)(a)) (as the case may be) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (3) if no such industry standard is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(IV)(a)) (as the case may be) determines to be appropriate;

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(IV)(a)) (as the case may be) determines in accordance with Condition 4(IV)(b) has replaced the Original Reference Rate in customary market usage in the local or international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes;

“Benchmark Amendments” has the meaning given to it in Condition 4(IV)(d);

“Benchmark Event” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (v) it has become unlawful for the Principal Paying Agent, the Agent Bank, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

“Independent Adviser” means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 4(IV)(a);

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

“Successor Rate” means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(IV)(a)) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes or Floating Rate Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer’s Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to any Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9 and 10.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be fair and reasonable in the circumstances. So long as the Notes are listed on any Stock Exchange (as defined in the Agency Agreement), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any notice of purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes or Floating Rate Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders’ Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to any Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such

Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9 and 10.

- (ii) If, as a result of any amendment to, or repeal of, the National Environment Agency Act, Chapter 195 of Singapore or any other statute, the Issuer ceases to be a statutory board or the Notes cease to be the obligations of the Issuer and any such event would materially and adversely affect the interests of the Noteholders, the Issuer will, at the option of the holder of any Note, purchase such Note at its Redemption Amount (together with interest accrued to (but excluding) the date fixed for purchase) on the date falling 30 days from the date of the exercise by the holder of such option. The Issuer will give prompt notice to the Noteholders of the occurrence of the event referred to in this Condition 5(c)(ii) in accordance with Condition 14. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable), no later than 10 business days from the date of the Issuer's notice to the Noteholders of the occurrence of such event (or such longer period, not exceeding 30 business days, as the Issuer may notify to the Noteholders in such notice). Any Notes or Certificates so deposited may not be withdrawn. Such Notes may be held, resold or surrendered to any Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9 and 10.

(d) Redemption at the Option of the Issuer

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

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

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

(e) Redemption at the Option of Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) 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 Coupons

and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) within the Noteholders’ Redemption 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.

(f) 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 or, if so specified on the face of the Note, at any time on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public or becomes effective on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment or any such change in the application, interpretation or pronouncement. The Fiscal Agent shall be entitled to accept such certificate and opinion (whether or not such opinion is addressed to the Fiscal Agent) as sufficient evidence of the satisfaction of the conditions precedent set out above, and shall not be responsible for determining or verifying the circumstances set out in such certificate or opinion in which event it shall be conclusive and binding on the Noteholders.

(g) Purchases

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

Notes purchased by the Issuer or any of its subsidiaries may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, any Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or relevant subsidiary be held or resold.

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

(h) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Fiscal Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Note(s) 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 Coupons and all unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by transfer to an account maintained by the payee in that currency with a bank in the principal financial centre for that currency (of which details have been furnished by such payee prior to payment being made) or, in the event that such details have not been furnished by such payee prior to payment being made, by a cheque drawn in the currency in which payment is due on from a bank in the principal financial centre for that currency.

(b) Principal and Interest in respect of Registered Notes

- (i) Payments of principal in respect of Registered Notes will, subject as mentioned below, 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).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifth business day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made by transfer to an account maintained by the payee in that currency with a bank in the principal financial centre of that currency (of which details have been furnished by such payee prior to payment being made) or, in the event that such details have not been furnished by such payee prior to payment being made, by a cheque drawn in the currency in which payment is due on from a bank in the principal financial centre for that currency and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register.

(c) Payments subject to law etc.

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

(d) Appointment of Agents

The Fiscal Agent, the Principal Paying Agent, the Agent Bank and the Registrar initially appointed by the Issuer and their respective specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent, the Agent Bank, any Transfer Agent or the Registrar and to appoint additional

or other Paying Agents, provided that it will at all times maintain (i) a Fiscal Agent, (ii) a Paying Agent having a specified office in Singapore, (iii) an Agent Bank where the Conditions so require and (iv) a Registrar in respect of Registered Notes.

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

(e) Unmatured Coupons and Unexchanged Talons

- (i) Bearer Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unexpired Coupons (if any) relating to such Notes, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Notes comprising a Floating Rate Note, unexpired 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 unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) 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 Fiscal Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

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

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum shall not be made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to (but excluding) the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Fiscal Agent to be equal to one per cent. per annum above (in the case of a Fixed Rate Note) the Interest Rate applicable to such Note, or (in the case of a Floating Rate Note) the Rate of Interest applicable to such Note. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Fiscal Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of being connected with Singapore (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore) otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon;
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 14 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all

Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

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

9. Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent that such Note is immediately repayable, whereupon the Redemption Amount of such Note together with accrued interest to (but excluding) the date of payment shall become immediately due and payable:

- (a) the Issuer fails to pay the principal of, or Redemption Amount or Early Redemption Amount (whether becoming due upon redemption or otherwise) on or any interest on any of the Notes of any Series when due, and such default continues for a period of seven business days; or
- (b) the Issuer defaults in the performance or observance of or compliance with any of its other material obligations set out in any of the Notes of any Series which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by any holder thereof; or
- (c) (i) any other present or future indebtedness (in an aggregate amount of not less than S\$30,000,000 (or its equivalent in any other currency or currencies)) of the Issuer for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or any such indebtedness is not paid when due or, as the case may be, within any applicable grace period; or
(ii) the Issuer fails to pay when due any amount (in an aggregate amount of not less than S\$30,000,000 (or its equivalent in any other currency or currencies)) payable by it under any present or future guarantee for any moneys borrowed or raised; or
- (d) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer over the whole or any substantial part of the undertaking, property, assets or revenues of the Issuer is enforced; or
- (e) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under any of the Notes of any Series or any of the Coupons; or
- (f) any action, condition or thing (including obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into and perform and comply with its obligations under the Notes and/or the Coupons, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of Singapore is not taken, fulfilled or done; or

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

10. Meeting of Noteholders and Modifications

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

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

11. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Coupons or Talons) or the Registrar (in the case of Certificates), or at the specified office of 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 accordance with Condition 14 in each case, on payment by the claimant of the costs, expenses and duties (including the fees and costs of the Fiscal Agent) incurred in connection therewith and on such terms as to evidence (including, without limitation, a statutory declaration in such form as the Issuer and/or the Fiscal Agent may require and evidence as to the certificate number of the Note, Certificate, Coupon or Talon in question), undertaking, security and indemnity (which may provide, *inter*

alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to “**Notes**” shall be construed accordingly.

13. Fiscal Agent, Paying Agents and Agent Bank

In acting under the Agency Agreement, the Fiscal Agent, the Paying Agents, the Agent Bank, the Transfer Agents and the Registrar act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder except that (without affecting the obligations of the Issuer to the holders to make payment in respect of the Notes and Coupons in accordance with their terms) any funds received by the Fiscal Agent for the payment of any amounts in respect of the Notes or Coupons shall be held by it in trust for the relevant holders until the expiration of the period of prescription specified in Condition 8.

The Agency Agreement may be amended by the Issuer and the Fiscal Agent, without the consent of the Paying Agents, the Agent Bank, the Transfer Agents or the Registrar or any Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer and the Fiscal Agent may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, adversely affect the interests of the Noteholders in any material respect.

14. Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register (in the case of joint holders to the address of the holder whose name stands first in the Register) and deemed to have been given on the second day after the date of despatch. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a leading English language newspaper in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition.

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

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

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

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

15. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so or, in the case of a dissolution or analogous process of the Issuer, at the rate of exchange on the latest date permitted by applicable law for the determination of liabilities in such dissolution or analogous process). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order.

16. Governing Law

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

17. Contracts (Rights of Third Parties) Act

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

Fiscal Agent, Principal Paying Agent, Agent Bank, Registrar

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

THE ISSUER

1. Overview of NEA

NEA was established on 1 July 2002 by the NEA Act as a statutory board under the Ministry of Sustainability and Environment (renamed from Ministry of Environment and Water Resources with effect from 27 July 2020). It is the leading public organisation responsible for ensuring a clean and green environment, and the sustainable development of Singapore.

NEA is guided and driven by its vision statement – “A clean environment, towards a liveable and sustainable Singapore”, and its mission statement – “To ensure a clean and sustainable environment for Singapore, together with our partners and the community”.

NEA’s work is highly diverse and forms part of the Singapore Government’s efforts to protect Singapore by mitigating the damaging effects of climate change, in order to sustain a quality living environment for present and future generations.

NEA’s five key focus areas are resource and waste management, public health, hawker centres, environmental protection and meteorological services. Its key roles are to promote resource efficiency and conservation, maintain high standards of public health, develop a vibrant hawker culture, improve and sustain a safe, healthy and conducive living environment and provide timely and reliable weather and climate services – in collaboration with its partners and community.

Organisational Strategies

The organisational strategies of NEA are as follows:

- **Working Together with Partners and Community**

Collaborating and co-creating with our partners and the community to bring a greater positive impact on the environment.

- **Delivering Citizen-Centric Services**

Delivering citizen-centric services and being well-placed to take on public health threats together.

- **Creation of Capacity**

Strengthening key operational domains in NEA and reinventing service delivery and enforcement.

- **Building Strong Capabilities**

Building strong capabilities to deliver on work areas and ensure preparedness to mitigate future challenges.

- **Developing and Engaging Staff**

Developing a highly efficient and effective workforce by promoting a culture of life-long learning and instilling a spirit of innovation in staff.

- **Strengthening Corporate Practices and Governance**

Strengthening corporate practices and governance for a future-ready organisation.

2. NEA’s Key Roles

Promote resource efficiency and conservation

NEA promotes energy efficiency and conservation to improve air quality, reduce greenhouse gas emissions and mitigate climate change.

NEA has introduced energy efficiency requirements for regulated goods since 2008, with the implementation of the Mandatory Energy Labelling Scheme (“MELS”). The objective of MELS is to encourage consumers to choose more energy efficient models of electrical appliances such as refrigerators, air-conditioners and televisions. NEA then introduced the Minimum Energy Performance Standards in 2011 to raise the average energy efficiency of electrical appliances in the market and to contribute to Singapore’s efforts to fight climate change.

As the industrial sector is the largest energy-consuming sector in Singapore, NEA has introduced mandatory energy management practices for the industrial sector under the Energy Conservation Act, Chapter 92C of Singapore (“ECA”) since 2013. This requires energy-intensive industrial facilities to monitor and report energy use and submit energy efficiency improvement plans annually. In 2016, the ECA was amended to allow NEA to introduce enhanced energy management practices including the energy efficiency opportunities assessments for new ventures and existing facilities, minimum energy efficiency standards for energy-consuming systems such as chilled water systems, and the implementation of structured energy management systems by existing facilities.

As part of efforts to reduce greenhouse gas emissions and improve energy efficiency, Singapore became the first country in Southeast Asia to introduce a carbon tax from 2019. NEA is responsible for the administration and enforcement of the carbon tax under the Carbon Pricing Act 2018, No. 23 of 2018. The carbon tax is applied uniformly to industrial facilities that emit 25,000 tonnes or more of CO2-equivalent of greenhouse gas annually. This covers about 30 to 40 companies which contribute around 80 per cent. of Singapore’s national emissions. The carbon tax rate starts at \$5/tCO2e of greenhouse gas from 2019 to 2023, with the intention to increase it to between \$10/tCO2e and \$15/tCO2e by 2030.

NEA also plans, develops and manages the solid waste management system in Singapore and promotes the 3Rs (Reduce, Reuse and Recycle) and a circular economy approach to conserve resources. With the amount of waste projected to continue increasing with growing affluence and population, Singapore’s main challenge in solid waste management is finding landfill space. NEA therefore adopts the following strategies for a more sustainable solid waste management system:



Given Singapore's scarce land, a key strategy in managing waste is incineration. Incineration reduces the volume of waste by up to 90 per cent., saving landfill space. The heat generated by incineration is recovered to produce steam that propels turbine-generators to generate electricity, providing for up to 3 per cent. of the island's electricity needs. The incineration ash and other non-incinerable waste are then transported to the Tuas Marine Transfer Station from where they are barged to Semakau Landfill for final disposal.

Currently, Singapore's solid waste disposal infrastructure consists of four waste-to-energy ("WtE") plants. NEA operates and manages two of them: Tuas Incineration Plant and Tuas South Incineration Plant. The other two plants, Keppel Seghers Tuas Waste-To-Energy Plant and Senoko Incineration Plant, are public-private partnership plants, owned and managed by the private sector. Another WtE plant, TuasOne, is currently under construction to meet Singapore's needs for solid waste management.

Tuas Nexus

The Integrated Waste Management Facility ("IWMF") will be a new waste management facility to be built in phases and, when completed, will be an integral part of NEA's long-term plan to meet Singapore's solid waste management needs. It will be equipped with state-of-the-art solid waste treatment technologies to improve energy and resource recovery from waste. The solid waste streams that the IWMF will be designed to treat includes incinerable waste, household recyclables collected under the National Recycling Programme, source-segregated food waste, and dewatered sludge from PUB's Tuas Water Reclamation Plant ("TWRP"). The co-location of IWMF and TWRP collectively known as Tuas Nexus, will enable both NEA and PUB to reap the benefits of a water-energy-waste nexus. Some of the key Tuas Nexus synergies include the supply of food waste from IWMF to TWRP for co-digestion with used water sludge, the supply of treated water from TWRP to IWMF for process use and the supply of biogas from TWRP to IWMF to improve overall plant thermal efficiency.

To be built in two phases, IWMF will have an incineration capacity of 2,900 tpd for incinerable waste when its Phase 1 Waste-to-Energy facility is expected to complete in 2024. The other facilities in Phase 1 which include the Materials Recovery Facility (250 tpd), Food Waste Treatment Facility (400 tpd) and the Sludge Incineration Facility (800 tpd) are also to be completed by 2024. The energy from the incineration process will be recovered to generate electricity to operate the IWMF and TWRP with excess electricity to be supplied to the grid. The current plan is to eventually increase the incineration capacity at the IWMF to 5,800 tpd when Phase 2 is completed at a later stage.

Maintain high standards of public health

NEA ensures the maintenance of high standards of public health in Singapore, through ground surveillance, enforcement, outreach, licensing and research.

It maintains a surveillance programme for vector-borne diseases and the control of vector populations, shapes social norms against littering, and maintains a cleaning regime in public places to guard against environment-related diseases.

To engender public support and participation, one of NEA's key initiatives is the 'Keep Singapore Clean' campaign, which was first launched in 1968 to promote public awareness and rally public support for a truly clean Singapore. NEA also raises awareness of 'No Smoking' zones through public campaigns and advertisements.

Another key area is in research, which complements NEA's continuing efforts in managing dengue. NEA is evaluating the use of male *Wolbachia*-carrying *Aedes aegypti* mosquitoes to suppress female urban *Aedes aegypti* mosquitoes (the primary vectors of dengue and Zika in Singapore) – for potential use as a complementary vector control tool. NEA's Project *Wolbachia – Singapore* commenced in October 2016, as a phased approach to rigorously evaluate the technology in the field. The study sites at Yishun and Tampines have been systematically and gradually expanded to cover adjacent areas. In areas where releases have been ongoing for a longer period of time, the urban *Aedes aegypti* mosquito population has been kept at dengue low-risk levels for more than a year. Preliminary analysis also showed that there were 65 to 80% fewer dengue cases at the Yishun and Tampines study sites in 2019, compared to at areas without releases. Since May 2020, NEA has additionally tested a more targeted release strategy at dengue high-risk areas of selected neighbourhoods in Choa Chu Kang and Bukit Batok towns, to pre-emptively suppress the high *Aedes aegypti* mosquito populations in these areas. NEA and its collaborators are innovating engineering solutions to scale up production and release sustainably and cost-effectively, to enable *Wolbachia* technology to be deployed on a larger scale in the future.

NEA also provides cremation, burial and columbarium services, and operates Singapore's public after-death facilities. It manages the Mandai Crematorium, one of the three crematoria that are opened to the public, which handles 87% of the cremations in Singapore. To meet Singapore's increasing cremation demands due to its ageing population, NEA is building a new Government crematorium, redeveloping funeral parlour complexes, launching new funeral parlour sites and introducing inland ash scattering services.

Develop a vibrant hawker culture

NEA develops and manages hawker centres as vibrant communal spaces, offering a wide variety of affordable food, in a clean and hygienic environment. There are currently 114 hawker centres and markets in Singapore. These include the newly completed hawker centres at Ci Yuan, Bukit Panjang, Our Tampines Hub, Kampung Admiralty, Yishun Park, Jurong West and Pasir Ris Central. Other new hawker centres that have been announced are located at Sembawang, Bidadari, Bukit Batok, Bukit Panjang North (Senja), Choa Chu Kang (Yew Tee and Town Centre), Sengkang (Anchorvale, Fernvale and Buangkok), Punggol (Punggol Town Hub and Punggol Digital District) and are expected to be ready by 2027.

In December 2020, Singapore successfully secured its nomination to inscribe Hawker Culture in Singapore on the United Nations Educational, Scientific and Cultural Organization Representative List of the Intangible Cultural Heritage of Humanity.

Sustain the hawker trade

Since 2017, NEA has opened up training opportunities and pathways for aspiring hawkers, to make it easier for them to enter the hawker trade. Aspiring hawkers can learn culinary skills from veteran hawkers to prepare hawker fare through the Hawker Fare Series; acquire the necessary knowledge of running a hawker business through the Institute of Technical Education's Introduction to Managing a Hawker Business course; and learn the ropes of being a hawker through NEA's Incubation Stall Programme. On 20 January 2020, NEA and SkillsFuture Singapore launched the Hawkers' Development Programme, an initiative to equip aspiring hawkers with the relevant skills and competencies to run their hawker businesses. Trainees undergo five days of classroom training and a two-month apprenticeship at veteran hawkers' stalls, before operating their own stalls and receiving mentorship under veteran hawkers for the first three months.

Improve productivity within hawker centres

NEA has progressively introduced centre-level initiatives at selected existing hawker centres, including automated tray return stations (“**ATRS**”), integrated with centralised dishwashing (“**CDW**”) service. With ATRS, cleaners are better able to focus on cleaning tables rather than collecting and sorting trays and used crockery; and the faster turnaround of clean tables reduces patrons’ waiting time, and benefits stallholders by improving business. With CDW, the hawkers’ workload is reduced; a steady supply of clean crockery is ensured; stallholders benefit from time and cost savings; and the overall business of the hawker centre is improved. NEA provides subsidies to stallholders at existing hawker centres with the CDW service, with stallholders paying 30 to 70% of the CDW service cost.

Eligible cooked food stallholders at hawker centres managed by NEA and NEA-appointed operators, and eligible market stallholders, can apply for NEA’s Hawkers’ Productivity Grant, where NEA co-funds the purchase of suitable kitchen automation equipment for three years from 9 October 2017. NEA has since broadened the range of suitable equipment to include automation in service innovation (queue management systems, wireless food collection paging solutions), and extended the grant funding period to 31 March 2023.

Improve and sustain a safe, healthy and conducive living environment

As the steward of a safe, healthy and conducive environment, NEA strives to sustain clean air, pristine water quality and quieter surroundings for the benefit of all Singaporeans by controlling air and water pollution and regulating hazardous substances and toxic industrial waste. It also safeguards the public, radiation workers, and the environment against the harmful effects of radiation.

NEA enforces strict regulations in line with international standards to help limit emissions and has implemented various initiatives to monitor, reduce and prevent environmental pollution. For example, air emissions from its WtE plants and crematoria must comply with Singapore’s Environmental Protection and Management (Air Impurities) Regulations.

NEA has also further tightened vehicular policies to reduce carbon emissions. New and cleaner vehicles are incentivised through the Vehicular Emissions Scheme, while existing vehicles will be regulated under schemes that are designed to facilitate the phasing out of older, more pollutive vehicles.

Provide timely and reliable weather and climate services

NEA provides up-to-date weather information and climate services to support public safety and socio-economic activities. It also issues haze alerts and provide vital meteorological services to the aviation and maritime communities.

Singapore’s tropical climate presents a unique set of environmental challenges, including transboundary haze, which affects the livelihood of its people and businesses. A pillar under NEA, the Meteorological Service Singapore (“**MSS**”) contributes to public safety and smooth operations in many socioeconomic activities, by providing timely and accurate weather data and forecasts.

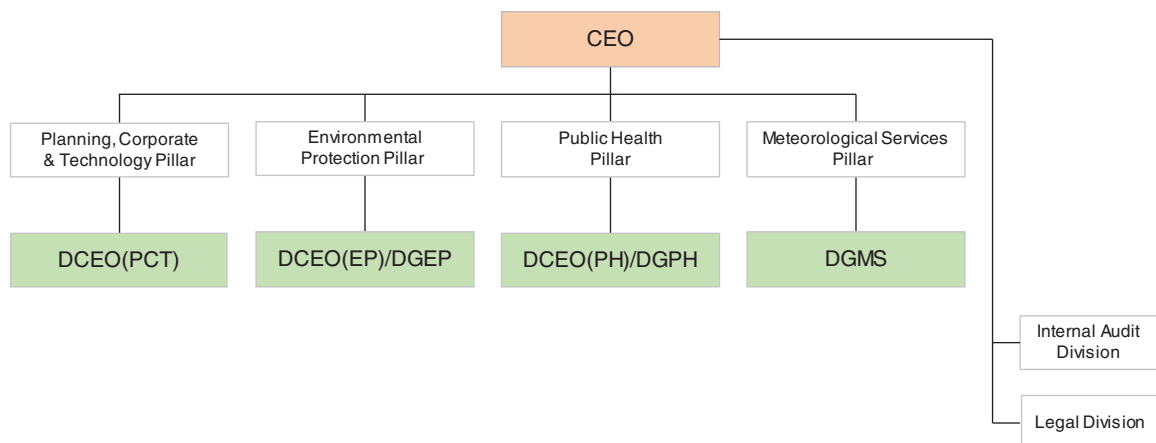
In view of the increasingly visible effects of climate change, the Centre for Climate Research Singapore, the research arm of MSS, has set up the Climate Science Research Programme Office (“**CSRPO**”) in 2020. CSRPO will play a key role in Singapore’s response to the potential impact of climate change by leading and driving efforts under a new national climate science research masterplan and strengthening climate science capabilities in Singapore. The CSRPO will oversee the National Sea Level Research Programme to ensure that climate impact research is conducted in areas which can best contribute to Singapore’s national climate adaptation needs and priorities.

The CSRPO will focus on five key research areas with significant impact on Singapore, namely: sea level rise; the impact of climate change on our water resources and flood management; the impact of warming trends on human health and the energy sector; biodiversity and food security. It will engage in cross-cutting research, such as the interface between science and policy application and risk management approaches.

3. Organisation Structure

The senior management team is led by NEA’s Chief Executive Officer (“**CEO**”), Mr Luke Goh Peng Ee. Together, the team is responsible for assisting the CEO in implementing the strategic direction of NEA’s programmes, as well as nurturing a high-performance organisation committed to fulfilling NEA’s mission and roles. Each director manages the financial, manpower and operational resources of his or her respective division or department.

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



NEA’s organisation structure comprises four core clusters:

- **Planning, Corporate & Technology:** This includes the management of hawker centres, building of strong networks among the 3P sectors (people, private and public) providing various environmental capacity-building training programmes through the Singapore Environment Institute and other support services to ensure organisational readiness.
- **Environmental Protection:** This includes the control for air and water pollution, enforcing the Radiation Protection Act, Chapter 262 of Singapore and regulations through licensing and inspections, regulating hazardous substances and toxic industrial waste and solid waste management and promotion of the 3Rs (reduce, reuse, and recycle) to conserve resources.

- **Public Health:** This includes the prevention and control of vector-borne diseases, ensuring high standards of public hygiene and cleanliness, maintaining an effective system of public cleaning to keep Singapore clean and to prevent environment-related diseases.
- **Meteorological Service:** This includes providing up-to-date weather information to support public safety and socioeconomic activities and issues haze alerts and provides vital meteorological services to the aviation and maritime communities.

4. Financing of NEA

NEA's operations are funded mainly by Government grants. A portion of its revenue is generated from the management of hawker centres and provision of meteorological services. The IWMF, when completed and operational, is expected to generate and contribute towards the revenue for NEA as well. Apart from the grants for operations, NEA also receives funding, through equity injections, from the Government for acquisition of assets and development of systems and other capital projects to support its operation.

NEA may, subject to the relevant provisions in the NEA Act, borrow or raise funds to finance its own infrastructure development projects. The principal repayment, interest and other charges incurred for the purpose of borrowing will be met out of the revenue generated by those development projects and from its retained earnings.

SELECTED FINANCIAL INFORMATION

The following tables present the Issuer’s statement of financial position as at and for the financial year ended 31 March 2020 (“**FY 2019**”). The selected financial data for FY 2019 in the tables below are derived from, and should be read in conjunction with, the historical financial statements of the Issuer, including the notes thereto, which appear in Appendix II of this Information Memorandum.

The financial statements of the Issuer have been audited by the independent auditors, Ernst & Young LLP, and have been drawn up in accordance with the Statutory Board Financial Reporting Standards.

Selected Audited Statement of Comprehensive Income Information for FY 2019

	2019/2020 \$
Income	103,480,731
Expenditure	916,322,630
Operating deficit before Government grants	(812,841,899)
Non-operating income	8,004,016
Deficit before Government grants	(804,837,883)
Add: Government grants	753,197,374
Deficit before contribution to the Consolidated Fund	(51,640,509)
Contribution to the Consolidated Fund	–
Net deficit for the financial year	(51,640,509)
Other comprehensive income	
Net re-measurement loss on defined benefit plans	(1,526,118)
Total comprehensive loss for the financial year	(53,166,627)

Selected Audited Statement of Financial Position Information for FY 2019

	At 31 March 2020 \$
ASSETS	
Current assets	
Cash and cash equivalents	735,867,915
Trade and other receivables	38,907,743
Lease receivables	188,225
Financial assets at fair value through profit or loss	123,711,872
Quoted debt securities at amortised cost	15,599,545
Consumables	36,688,402
	<u>950,963,702</u>
Non-current assets	
Lease receivables	4,258,531
Property, plant and equipment	205,918,743
Right-of-use assets	26,835,203
Quoted debt securities at amortised cost	64,305,462
	<u>301,317,939</u>
Total assets	<u>1,252,281,641</u>
LIABILITIES	
Current liabilities	
Trade and other payables	192,362,589
Grants received in advance	120,987,651
Payable to the Ministry of Sustainability and the Environment	40,478,956
Loan from Government	–
Provision for pensions and death gratuities	971,225
Provision for contribution to the Consolidated Fund	–
	<u>354,800,421</u>
Non-current liabilities	
Trade and other payables	16,582,705
Provision for pensions and death gratuities	7,333,327
Deferred capital grants	367,116
	<u>24,283,148</u>
Total liabilities	<u>379,083,569</u>
NET ASSETS	<u>873,198,072</u>
EQUITY	
Share capital	689,227,191
Accumulated surplus	183,970,881
	<u>873,198,072</u>

RISK FACTORS

The risks described below should be carefully considered before making an investment decision. The risks described below are not the only ones relevant to the Issuer. Additional risks not presently known to the Issuer or that it currently deems immaterial may also impair the business operations. The Issuer's business, financial condition or results of operations could be materially and adversely affected by any of these risks, which may, as a result, affect the Issuer's ability to fulfil its obligations under the Notes.

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

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in the Notes may require in investigating the Issuer prior to making an investment or divestment decision in relation to the Notes. This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if such investor has received information to assist it in making such determination. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger, any of the Dealers or any of the Agents that any recipient of this Information Memorandum or any such other document or information (or any such part thereof) should subscribe for or purchase or sell any of the Notes. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, the Arranger, any of the Dealers or any person affiliated with any of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any such part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding whether to make an investment in the Notes.

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

RISKS RELATING TO THE ISSUER'S BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND/OR INDUSTRY

Changes in Legislation and Government Policies

The Issuer is constituted under the NEA Act, which together with the relevant subsidiary legislation, sets out the functions, duties and powers of the Issuer as a statutory board. If there is any change made to the NEA Act, its relevant subsidiary legislation or any government policies, such change may adversely affect the ability of the Issuer to comply with its obligations (including its repayment obligations) under the documents relating to the Programme and the Notes.

The Issuer may also be affected by the introduction of new or revised legislation, regulations and government policies. There can be no assurance that any such change or the need to comply with them will not have an adverse effect on the ability to carry out the Issuer's business operations and/or the Issuer's financial condition.

Changes in Government Funding

The Issuer derives its main source of income from grants from the Singapore Government to defray its operating and development costs. The Issuer also generates a portion of its revenue from management, leasing and maintenance of HDB markets and hawker stalls and provision of meteorological services. Such revenue may be affected by external factors, such as any temporary or permanent closure of HDB markets due to low demand from changing consumer patterns, temporary closure for renovations or demolition of the markets to make way for other developments or any decrease in demand for meteorological services, and this may in turn have an adverse effect on the Issuer's financial condition. The provision of any grant, loan or funding (including the quantum) are at the absolute discretion of the Minister for Finance and the Government of Singapore, which, for the avoidance of doubt, do not guarantee the direct or indirect payment of any debt obligations of the Issuer.

In the event that there is a change in the funding arrangement with the Government, this may affect the ability of the Issuer to comply with its repayment obligations under the documents relating to the Programme and the Notes.

The Integrated Waste Management Facility

While the Issuer has been managing and operating Government-owned incineration plants, the upcoming IWMF will be the first plant to be built, owned and operated by the Issuer. The electricity generated will be used to power the facility and the surplus electricity will be sold to PUB for its TWRP, which is co-located with the IWMF, and the National Electric Market of Singapore.

It is expected that a portion of the revenue to be generated in relation to the Issuer's upcoming IWMF is from the sale of electricity. As the Issuer is a price-taker in the electricity market, its revenue from the sale of electricity will be subject to prevailing market conditions and there is no assurance that the IWMF will be profitable.

The Issuer maintains insurance policies covering the IWMF in line with general market practice and legal requirements. However, certain types of risks (for example, risk of war, terrorist acts and losses caused by the outbreak of contagious diseases (including but not limited to COVID-19) or acts of God such as floods or earthquakes) may be uninsurable or the cost of insurance may be prohibitive. The Issuer may also remain liable for any debt or other financial obligation in relation to any loans taken up for the acquisition and/or development of the IWMF, where applicable. There can be no assurance that uninsured losses or losses in excess of insurance proceeds will not occur in the future. In such an event, the business, financial condition and results of operations of the Issuer may be adversely affected.

The Issuer is subject to various risks that may arise during the construction of its projects

The construction and the bringing to operation of the Issuer's projects (including the IWMF) involve significant risks including, without limitation, shortages of materials or skilled labour, interruption and termination of the Issuer's third-party service providers, unforeseen engineering, or environmental problems, work stoppages, litigation, weather interferences and difficulties in obtaining requisite approvals or authorisations from regulatory authorities. Some of these risks may arise through the actions or omission of other third parties such as contractors and vendors engaged by the Issuer, and some may arise from the difficulties of executing projects in time and on budget (whether due to the ongoing COVID-19 pandemic or any other factors). Any such risks, if realised, could adversely affect the Issuer's ability to complete projects in time and on budget which may result in cost overruns, lost tariff receipts, the imposition of penalty fees and other penalties. All these factors may affect the Issuer's reputation, results of operations, financial condition, its future cash flow streams and risk of litigation. No assurance can be given that such occurrences in the future will not cause the Issuer to experience significant delays or additional costs.

Changes in domestic, regional and global economic conditions may have a material adverse effect on the results of operations and financial condition of the Issuer

Adverse economic developments, in Singapore and countries with significant trade relations with Singapore, could have a material adverse effect on the Singapore economy and the results of operations and/or the financial condition of the Issuer and/or its subsidiaries. In particular, the outbreak in late 2019 of a novel strain of coronavirus (i.e. COVID-19) has since spread globally and triggered a global downturn and global economic contraction, causing disruptions in demand and supply chains and a high level of uncertainty to the near-term global economic prospects. While the Issuer has embarked on a range of initiatives to combat COVID-19 such as deploying safe distancing ambassadors and enforcement officers at hawker centres and markets and co-funding disinfection costs for premises visited by COVID-19 cases, the Issuer has also received additional government grants to support these initiatives. There is no assurance that the COVID-19 pandemic or any other epidemic, pandemic or other health crisis or any deterioration in the domestic, regional or global economic conditions will not adversely affect the Issuer's operations and financial condition and should the Issuer suffer a serious decline in its net operating cash flows, it may be unable to make interest payments or principal repayments under the Notes.

RISKS RELATING TO THE NOTES

Limited liquidity of the Notes issued under the Programme

There can be no assurance regarding the future development of the market for the Notes issued under the Programme, the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt Notes.

Liquidity may have a severely adverse effect on the market value of the Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

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

Fluctuation of market value of the Notes issued under the Programme

Trading prices of the Notes are influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer, political, economic, financial and any other factors that can affect the capital markets, the industry and/or the Issuer generally. Adverse economic developments, in Singapore as well as countries in which the Issuer operates or has business dealings, could have a material adverse effect on the operating results, the financial condition and/or the future prospects of the Issuer.

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Notes.

Financial Risk

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

The Notes may be subject to interest rate risk

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

The Notes may be subject to inflation risk

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

The Notes may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Information Memorandum or any applicable supplement to this Information Memorandum;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Investment activities may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for them, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase 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.

The Notes are not secured

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

Modification

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and Noteholders should note that the Issuer shall not be obliged to convene any such meeting unless it has been indemnified to its satisfaction against all costs and expenses. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Agency Agreement may be amended by the Issuer and the Fiscal Agent, without the consent of the Paying Agents, the Agent Bank, the Transfer Agent or the Registrar or any Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer may mutually deem necessary or desirable and which does not, in the opinion of the Issuer and the Fiscal Agent, adversely affect the interests of the Noteholders in any material respect. Any such amendment shall be binding on the Noteholders and the Couponholders.

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

The Notes are governed by Singapore law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Notes.

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

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be lodged with CDP. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes. CDP will maintain records of their accountholders in relation to the Global Notes and Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through CDP.

While the Notes are represented by one or more Global Notes or Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to CDP for distribution to their accountholders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of CDP to receive payments under the relevant Notes. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes and Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by CDP to appoint appropriate proxies.

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

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

The Notes may be subject to Singapore tax risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "SINGAPORE TAXATION".

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

The Notes may be subject to optional redemption by the Issuer

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

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

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

If, as a result of any amendment to or repeal of, the NEA Act or any other statute, the Issuer ceases to be a statutory board or the Notes cease to be the obligations of the Issuer and any such event would materially and adversely affect the interests of the Noteholders, the Issuer will, at the option of the holder of any Note, purchase such Note at its redemption amount together with interest accrued to the date fixed for redemption. In that event, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

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

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

The regulation and reform of “benchmark” rates of distribution and indices may adversely affect the value of Notes linked to or referencing such “benchmarks”

Reference rates and indices which are deemed to be or used as “benchmarks” (including the London interbank offered rate (“LIBOR”), the Singapore Dollar interbank offered rate (“SIBOR”) and the Singapore Dollar swap offer rate (“SOR”)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to, or referencing, such a benchmark.

Regulation (EU) 2016/1011 (the “EU Benchmarks Regulation”) and Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “UK Benchmarks Regulation”) apply to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the European Union (“EU”) and the United Kingdom, respectively. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU or non-UK based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU or UK supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU or non-UK based, not deemed equivalent or recognised or endorsed). The EU Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks

Regulation and the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms or the general increased regulatory scrutiny of benchmarks could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

For example, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has through a series of announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing the Euro-zone interbank offered rate (“**EURIBOR**”). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

As the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after the end of 2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it has established a steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average (“**SORA**”). In addition, the Association of Banks in Singapore (“**ABS**”) and the Singapore Foreign Exchange Market Committee (“**SFEMC**”) released a consultation report “Roadmap for Transition of Interest Rate Benchmarks: From SOR to SORA” identifying SORA as the alternative interest rate benchmark to SOR, envisaging a phased transition over two years. On 19 March 2020, the Steering Committee for SOR Transition to SORA (“**SC-STs**”) released its response to feedback received on the consultation report in which the SC-STs noted that overall, there was broad support for the proposed transition roadmap and approach set out in the consultation report. In its response, the SC-STs also outlined its key priorities and updated transition roadmap to achieve a smooth transition from SOR to SORA as the new interest rate benchmark for the SGD cash and derivatives markets. On 29 July 2020, the ABS, SFEMC and SC-STs (together, the “**Committees**”) issued another consultation report titled “SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks” which recommended the discontinuation of SIBOR in three to four years, and a shift to the use of SORA as the main interest rate benchmark for SGD financial markets. On 5 August 2020, MAS announced several key initiatives to support the adoption of SORA, which include issuing SORA-based floating rate notes on a monthly basis starting from 21 August 2020, as well as publishing key statistics involving SORA on a daily basis. As part of the initiatives by MAS, SORA was prescribed as a financial benchmark under the SFA pursuant to the Securities and Futures (Prescribed Financial Benchmark) Regulations 2020, which came into operation on 5 August 2020. On 27 October 2020, SC-STs announced industry timelines to support a coordinated shift away from the use of SOR, and to concurrently accelerate the usage of SORA. The key timelines are: (a) by end-April 2021, all lenders and borrowers are to cease issuance of SOR-linked loans and securities that mature after end-2021; (b) to support this, all Domestic Systemically Important Banks (“**D-SIBs**”) ¹ should be ready to offer a full-suite of SORA-based products to their customers by end-February 2021, and all non-D-SIB banks should be ready to offer new SORA-based products by end-April 2021; (c) and by end-September 2021, all banks are to have substantially reduced gross exposures to SOR derivatives, including centrally cleared interbank transactions. On 11 December 2020, the Committees released a joint

¹ The D-SIBs listed in alphabetical order are: Citibank Singapore Limited, DBS Bank Ltd., HSBC Bank (Singapore) Ltd, Maybank Singapore Ltd, Oversea-Chinese Banking Corporation Ltd, Standard Chartered Bank, and United Overseas Bank Ltd.

response to feedback received on the consultation report titled “SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks” and also published timelines for the discontinuation of SIBOR by end-2024. In addition, the MAS expanded the mandate of the SC-STIS to enable it to oversee the interest rate benchmark transition from SIBOR to SORA.

The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

- (i) discourage market participants from continuing to administer or contribute to the benchmark;
- (ii) trigger changes in the rules or methodologies used in the benchmark; or
- (iii) lead to the disappearance of the benchmark.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or they could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any Notes linked to such benchmark (including but not limited to Floating Rate Notes (as defined in the Conditions) or Notes whose interest rates are linked to such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of Notes under the Programme (after deducting issue expenses) will be used to finance infrastructure development projects of the Issuer, its general working capital requirements and/or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

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 (“**Depository System**”) maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

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

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

Settlement of over-the-counter trades in the Notes through the Depository System may be effected through securities sub-accounts held with corporate depositors (“**Depository Agents**”). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

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

Although CDP has established procedures to facilitate transfers of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

SINGAPORE TAXATION

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

1. Interest and Other Payments

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

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

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

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

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

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

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., which is a Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Notes (the “**Relevant Notes**”) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be qualifying debt securities (“**QDS**”) for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

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

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

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

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:

(I) any related party of the Issuer; or

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

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

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

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

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

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

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

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

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

2. Capital Gains

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

Holders of the Notes who apply or who are required to apply the Financial Reporting Standard (“FRS”) 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 (“SFRS(I) 9”) (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes”.

3. Adoption of FRS 39, FRS 109 or SFRS(I)9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

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

4. Estate Duty

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

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business.

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

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

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

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

United States

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

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

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

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

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

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

Prohibition of Sales to EEA Retail Investors

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

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a qualified investor as defined in the Prospectus Regulation (as defined below); 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.

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

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

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

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

United Kingdom

Prohibition of Sales to UK Retail Investors

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

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

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

- (i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public

Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

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

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

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

Other regulatory restrictions

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

- (i) in relation to any Notes which have a maturity of less than one year, (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 FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Hong Kong

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

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer appointed under the Programme will be required to acknowledge and each Dealer has acknowledged that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, each Dealer appointed under the Programme will be required to represent and agree and each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined 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, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other document (or any part thereof) or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement. No Dealer will directly or indirectly offer, sell or deliver Notes or any

interest therein or rights in respect thereof or distribute or publish any prospectus, circular, advertisement or other offering material (including, without limitation, this Information Memorandum) in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes or any interest therein or rights in respect thereof by it will be made on the foregoing terms. In connection with the offer, sale or delivery by any Dealer of any Notes or any interest therein or rights in respect thereof, the Issuer shall not have responsibility for, and each Dealer will obtain, any consent, approval or permission required in and each Dealer will comply with the laws and regulations in force in, any jurisdiction to which it is subject or from which it may make any such offer or sale.

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

APPENDIX I

GENERAL AND OTHER INFORMATION

1. Issued Debentures

- (a) No debentures of the Issuer have been issued, or agreed or proposed to be issued, as fully or partly paid in cash or otherwise than in cash during the last two years preceding the date of this Information Memorandum.
- (b) As at the Latest Practicable Date, no person has been, or is entitled to be, given any option to subscribe for any debentures of the Issuer.

2. The Board of Members and Management

(a) Board of Members

The name and appointment of each of the Members are as follows:

Name	Appointment
Mr Lee Chuan Seng	Chairman
Mr Ravinder Singh	Deputy Chairman
Mr Luke Goh Peng Ee	Member
Ms Lynette Leong Chin Yee	Member
Professor Ho Teck Hua	Member
Ms Jackie Chew	Member
Mr Choo Chee Wee, Bernard	Member
Mr Quek Suan Kiat	Member
Ms Sylvia Choo	Member
Mr Suhaimi Zainul-Abidin	Member
Mr Lim Eng Hwee	Member
Mr Puah Kok Keong	Member
Ms Susan Chong	Member
Dr Andrew Khoo	Member

(b) Key Management Team

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

Name	Appointment
Mr Luke Goh Peng Ee	Chief Executive Officer
Mr Khoo Seow Poh	Senior Advisor
Mr Ng Chun Pin	Deputy Chief Executive Officer (Planning, Corporate & Technology)
Mr Ananda Ram Bhaskar	Deputy Chief Executive Officer (Environmental Protection) & Director-General (Environmental Protection)
Mr Chew Ming Fai	Deputy Chief Executive Officer (Public Health) & Director-General (Public Health)
Ms Wong Chin Ling	Director-General (Meteorological Service)

3. General

- (a) The nature of the business of the Issuer is stated under the section “The Issuer” of this Information Memorandum.
- (b) As disclosed under the section “Purpose of the Programme and Use of Proceeds” of this Information Memorandum, the Issuer proposes to utilise the proceeds of the Notes to be issued under the Programme to finance infrastructure development projects of the Issuer, its general working capital requirements and/or such other purposes as may be specified in the relevant Pricing Supplement.
- (c) The limit which the Issuer may borrow under the Programme is S\$3,000,000,000.

4. Material Adverse Change

There has been no material adverse change in the financial condition of the Issuer since 31 March 2020.

5. Litigation

There are no legal or arbitration proceedings pending or, to the best of the Issuer’s knowledge after making all reasonable enquiries, threatened against the Issuer the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer.

6. Auditor’s Consent

Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the inclusion herein of its name and all references thereto, in the form and context in which they appear in this Information Memorandum and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

7. Documents Available for Inspection

Copies of the following documents are available for inspection at the registered office of the Issuer at 40 Scotts Road, #13-00 Environment Building, Singapore 228231 during normal business hours for a period of six months from the date of this Information Memorandum:

- (a) the audited financial statements of the Issuer for FY 2019; and
- (b) the letter of consent referred to in paragraph 6 above.

APPENDIX II

AUDITED FINANCIAL STATEMENTS OF NATIONAL ENVIRONMENT AGENCY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The information in this Appendix II has been reproduced from the annual report of the Issuer for the financial year ended 31 March 2020 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the financial data in conjunction with the related notes.

Safeguarding Singapore for a Sustainable Future



National Environment Agency
(Established under the National Environment Agency Act)

Annual Financial Statements
For the financial year ended 31 March 2020

National Environment Agency

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National Environment Agency

Independent auditor's report For the financial year ended 31 March 2020

Independent auditor's report to the Member of National Environment Agency

Report on the audit of the financial statements

Opinion

We have audited the financial statements of National Environment Agency (the "Agency"), which comprise the balance sheet as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018 (Act 5 of 2018) (the "PSG Act"), the National Environment Agency Act, Chapter 195 (the "NEA Act") and Singapore Statutory Board Financial Reporting Standards ("SB-FRSs") so as to give a true and fair view of the financial position of the Agency as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Agency for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Agency in accordance with the Accounting and Corporate Regulatory Authority (the "ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the PSG Act, the NEA Act and SB-FRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

National Environment Agency

Independent auditor's report For the financial year ended 31 March 2020

Independent auditor's report to the Member of National Environment Agency

Report on the audit of the financial statements (cont'd)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 the SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

National Environment Agency

Independent auditor's report For the financial year ended 31 March 2020

Independent auditor's report to the members of National Environment Agency

Report on other legal and regulatory requirements

Opinion

In our opinion:

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

Basis for opinion

We conducted our audit in accordance with the SSAs. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the compliance audit* section of our report. We are independent of the Agency in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on management's compliance.

Responsibilities of management for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the NEA Act and the requirements of any other written law applicable to moneys of or managed by the Agency. This responsibility includes monitoring related compliance requirements relevant to the Agency, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Other matters

The financial statements of National Environment Agency for the financial year ended 31 March 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 19 July 2019.

Auditor's responsibilities for the compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the NEA Act and the requirements of any other written law applicable to moneys of or managed by the Agency.

National Environment Agency

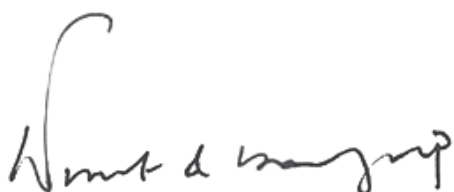
**Independent auditor's report
For the financial year ended 31 March 2020**

Independent auditor's report to the members of National Environment Agency

Report on other legal and regulatory requirements (cont'd)

Auditor's responsibilities for the compliance audit (cont'd)

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



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

14 August 2020

National Environment Agency

**Statement of comprehensive income
For the financial year ended 31 March 2020**

	Note	2019/2020 \$	2018/2019 \$
Income			
Management fees	4	62,242,128	65,050,479
Service fees	4	20,080,462	20,172,697
Regulatory charges	4	9,533,389	14,664,787
Other operating income	4	11,624,752	14,249,891
		103,480,731	114,137,854
Less:			
Expenditure			
Staff costs	5	303,991,068	330,568,857
Maintenance, services and supplies	6	458,465,140	473,514,525
Upgrading and improvement		2,267,333	6,193,888
Public education expense		16,214,990	14,487,770
Depreciation of property, plant and equipment and right-of-use assets	15,16	42,201,491	16,343,062
Rental of office and equipment		15,028,014	27,623,423
Finance expense	7	1,015,678	217,634
Other operating expenditure	8	77,138,916	85,248,248
		916,322,630	954,197,407
Operating deficit before Government grants		(812,841,899)	(840,059,553)
Add:			
Non-operating income/(expenditure)			
Interest income		6,030,984	4,484,033
Net gain arising from financial assets at fair value through profit or loss		2,315,787	2,246,794
Amortisation of bond premium		(342,755)	(158,181)
		8,004,016	6,572,646
Deficit before Government grants		(804,837,883)	(833,486,907)
Add: Government grants	9	753,197,374	880,226,098
(Deficit)/surplus before contribution to the Consolidated Fund		(51,640,509)	46,739,191
Contribution to the Consolidated Fund	10	–	(7,945,662)
Net (deficit)/surplus for the financial year		(51,640,509)	38,793,529
Other comprehensive income			
Net re-measurement loss on defined benefit plans	20	(1,526,118)	–
Total comprehensive (loss)/income for the financial year		(53,166,627)	38,793,529



Mr Lee Chuan Seng
Chairman
14 August 2020



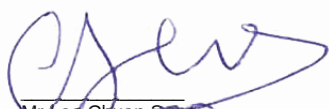
Mr Tan Meng Dui
Chief Executive officer

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Environment Agency

Balance sheet As at 31 March 2020

	Note	At 31 March 2020 \$	At 31 March 2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	11	735,867,915	699,157,019
Trade and other receivables	12	38,907,743	57,859,472
Lease receivables	23	188,225	–
Financial assets at fair value through profit or loss	13	123,711,872	121,396,085
Quoted debt securities at amortised cost	14	15,599,545	–
Consumables		36,688,402	35,376,122
		950,963,702	913,788,698
Non-current assets			
Lease receivables	23	4,258,531	–
Property, plant and equipment	15	205,918,743	175,264,654
Right-of-use assets	16	26,835,203	–
Quoted debt securities at amortised cost	14	64,305,462	75,173,544
		301,317,939	250,438,198
Total assets		1,252,281,641	1,164,226,896
LIABILITIES			
Current liabilities			
Trade and other payables	17	192,362,589	191,490,365
Grants received in advance	9	120,987,651	390,985
Payable to the Ministry of Sustainability and the Environment	18	40,478,956	24,904,748
Loan from Government	19	–	3,950,555
Provision for pensions and death gratuities	20	971,225	1,124,198
Provision for contribution to the Consolidated Fund	10	–	7,945,662
		354,800,421	229,806,513
Non-current liabilities			
Trade and other payables	17	16,582,705	940,672
Provision for pensions and death gratuities	20	7,333,327	6,873,330
Deferred capital grants	21	367,116	98,999
		24,283,148	7,913,001
Total liabilities		379,083,569	237,719,514
NET ASSETS		873,198,072	926,507,382
EQUITY			
Share capital	22	689,227,191	687,352,535
Accumulated surplus		183,970,881	239,154,847
		873,198,072	926,507,382


 Mr. Lee Chuan Sang
 Chairman
 14 August 2020


 Mr. Tan Meng Dui
 Chief Executive officer

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Environment Agency

Statement of changes in equity
For the financial year ended 31 March 2020

	Note	Share Capital \$	Accumulated surplus \$	Total \$
Balance as at 31 March 19		687,352,535	239,154,847	926,507,382
Effect of adopting SB-FRS 116		–	(1,420,762)	(1,420,762)
Balance as at 1 April 2019 (restated)		687,352,535	237,734,085	925,086,620
Transfer of statutory functions to SFA	1	–	(596,577)	(596,577)
Total comprehensive income for the financial year				
Net deficit for the financial year		–	(51,640,509)	(51,640,509)
Net re-measurement loss on defined benefit plans recognised in other comprehensive income	20	–	(1,526,118)	(1,526,118)
Equity injection	22	1,874,656	–	1,874,656
Balance as at 31 March 2020		689,227,191	183,970,881	873,198,072
Balance as at 1 April 2018		685,735,911	200,361,318	886,097,229
Total comprehensive income for the financial year				
Net surplus for the financial year		–	38,793,529	38,793,529
Equity injection	22	1,616,624	–	1,616,624
Balance as at 31 March 2019		687,352,535	239,154,847	926,507,382

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Environment Agency

**Statement of cash flows
For the financial year ended 31 March 2020**

	Note	2019/2020 \$	2018/2019 \$
Cash flows from operating activities			
Net (deficit)/surplus for the financial year		(51,640,509)	38,793,529
Adjustments for:			
Contribution to the Consolidated Fund Government grants		–	7,945,662
Government grants	9	(753,197,374)	(880,226,098)
Depreciation of property, plant and equipment and right-of-use assets	15,16	42,201,491	16,343,062
Loss on sublease arrangement and lease modifications		679,613	–
Amortisation of bond premium		342,755	158,181
(Gain)/loss on disposal and write-off of property, plant and equipment		(2,549)	216,237
Interest expense	7	212,268	217,634
Interest expense on lease liabilities	23	803,410	–
Interest income		(6,030,984)	(4,484,033)
Plant and equipment expensed off	8	1,565,584	520,797
Net loss/(writeback of) allowance on trade and other receivables	12	224,496	(50,426)
Provision for pensions and death gratuities	20	336,439	412,542
Provision for carbon tax		4,298,894	940,672
Fair value gain on financial assets at fair value through profit or loss		(2,315,787)	(2,246,794)
Operating cash flows before working capital changes		(762,522,253)	(821,459,035)
Change in operating assets and liabilities:			
- Consumables		(1,312,280)	1,797,923
- Trade and other receivables		18,149,882	(16,714,455)
- Trade and other payables		(25,404,732)	(16,444,358)
- Other receivable from the Ministry of Sustainability and the Environment (“MSE”)		(5,924,174)	(9,341,939)
- Payable to MSE		9,107,561	389,289
Cash flows used in operations		(767,905,996)	(861,772,575)
Interest received		3,418,759	3,238,297
Payments for pension cost	20	(1,555,533)	(711,521)
Payment to consolidated fund		(7,945,662)	(2,897,332)
Net cash used in operating activities		(773,988,432)	(862,143,131)
Cash flows from investing activities			
Interest received from quoted debt securities at amortised cost		2,134,423	845,794
Net consideration for transfer of statutory functions to SFA	1	(2,152,650)	–
Proceeds from lease receivables		324,330	–
Purchases of property, plant and equipment		(50,333,035)	(120,251,708)
Purchase of quoted debt securities at amortised cost		(5,040,000)	(65,331,725)
Purchase of financial assets at fair value through profit or loss		(30,000,000)	–
Sale of financial assets at fair value through profit or loss		30,000,000	–
Proceeds from disposal of property, plant and equipment		112,423	33,250
Net cash used in investing activities		(54,954,509)	(184,704,389)

National Environment Agency

**Statement of cash flows
For the financial year ended 31 March 2020**

	Note	2019/2020 \$	2018/2019 \$
Cash flows from financing activities			
Grants received from Government		886,452,978	877,815,523
Repayment of loan from Government	19	(3,950,555)	(3,342,778)
Interest paid on loan from Government		(89,534)	(204,265)
Equity injection	22	1,874,656	1,616,624
Interest paid on lease liabilities	23	(803,410)	–
Payment for principal portion of lease liabilities	23	(17,830,298)	–
Net cash generated from financing activities		865,653,837	875,885,104
Net increase/(decrease) in cash and cash equivalents			
		36,710,896	(170,962,416)
Cash and cash equivalents at beginning of financial year		699,157,019	870,119,435
Cash and cash equivalents at end of financial year		735,867,915	699,157,019

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

National Environment Agency

Notes to the financial statements For the financial year ended 31 March 2020

1. General information

National Environment Agency (the "Agency"), a Statutory Board under the Ministry of Sustainability and the Environment ("MSE"), was incorporated under the National Environment Agency Act (the "NEA Act") on 1 July 2002.

The address of its principal place of operation is 40 Scotts Road, Environment Building, #13-00, Singapore 228231.

The principal activities of the Agency include:

Public health

- (i) conducting investigations, enforcement and surveillance of environmental health concerns and vectors of infectious agents;
- (ii) conducting research into and develop strategies for prevention and control of environmental health concerns;
- (iii) overseeing the planning for after-death facilities, and building, operating and maintaining Government-owned cemeteries, crematorium and columbarium facilities; and
- (iv) providing cleaning services in designated public areas.

Hawker centres

Developing and reviewing hawker policies and programmes, plan, construct, develop and manage markets and hawker centres in its own right and as agent of the Government or any body corporate established by written law

Environmental management

- (i) monitoring of environmental quality, reviewing building plans for pollution control and environmental health requirements, and controlling environmental pollution;
- (ii) controlling the import, export, transportation, storage, sale, possession and use of hazardous substances;
- (iii) controlling the import, export, transportation, storage, collection, treatment and disposal of toxic industrial waste;
- (iv) controlling the import, export, transportation, storage, sale, possession, use, manufacture and disposal of radioactive materials and irradiating apparatuses;
- (v) enhancing the competency of the environment industry workforce and promoting environmental thought leadership through knowledge distillation, sharing and training;
- (vi) building a vibrant research and development ecosystem in the environment industry and developing environmental technology competencies and capabilities in Singapore;
- (vii) developing and driving the transformation of the environmental services industry to be vibrant, sustainable and professional to serve Singapore, as well as growing cities' needs;
- (viii) inculcating a pro-environment mindset in the community and raising community ownership of environmental and public health issues in Singapore; and
- (ix) undertaking licensing, providing consultancy services and promoting professionalism in relation to pest control, environmental and other related industries.

National Environment Agency

Notes to the financial statements For the financial year ended 31 March 2020

1. General information (cont'd)

Energy and waste

- (i) promoting resource conservation and energy efficiency and carbon mitigation;
- (ii) regulating the collection and disposal of solid waste; and
- (iii) planning, developing, managing and regulating waste-to-resource and waste-to-energy facilities and landfills.

Meteorological services

- (i) conducting meteorological observations and seismic monitoring; and
- (ii) providing weather, climate and related services, and conducting research in meteorology.

Transfer of statutory functions to Singapore Food Agency

With effect from 1 April 2019, the Agency's food-related statutory functions were transferred to Singapore Food Agency ("SFA"). The carrying value of assets and liabilities transferred to SFA on 1 April 2019 are as follows:

	Carrying value as of 1 April 2019
	\$
Property, plant and equipment (net)	400,303
Trade and other payables	(1,956,376)
	<hr/>
Total net liabilities	(1,556,073)
Accumulated surplus*	(596,577)
	<hr/>
Net consideration for transfer of statutory functions to SFA	(2,152,650)
	<hr/>

*Accumulated surplus transferred to SFA relates to funds which have been earmarked by the Agency to fund future replacement of property, plant and equipment that were transferred to SFA.

2. Summary of significant accounting policies

(a) ***Basis of preparation***

The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the PSG Act, NEA Act and Singapore Statutory Board Financial Reporting Standards ("SB-FRSs"), including interpretation of SB-FRS ("INT SB-FRSs") and SB-FRS Guidance Notes.

On 1 April 2019, the Agency adopted all the new and revised SB-FRSs, INT SB-FRS and SB-FRS Guidance Notes that are effective for annual periods beginning on or after 1 April 2019. Except for the adoption of SB-FRS 116 *Leases* described below, the adoption of these new and revised SB-FRSs, INT SB-FRSs and SB-FRS Guidance Notes did not result in changes to the Agency's accounting policies and did not have any material effect on the financial performance or position of the Agency.

2. Summary of significant accounting policies (cont'd)

(b) Adoption of new and revised standards

SB-FRS 116 Leases

SB-FRS 116 supersedes SB-FRS 17 *Leases*, INT SB-FRS 15 *Operating Leases – Incentives*, INT SB-FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* and INT SB-FRS 104 *Determining whether an Arrangement contains a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Agency adopted SB-FRS 116 using the modified retrospective approach with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of accumulated surplus.

In addition, the Agency applied the following practical expedients:

- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The effects of adopting SB-FRS 116 as at 1 April 2019 are as follows:

	As reported \$	Upon adoption \$	Increase/ (decrease) \$
ASSETS			
Right-of-use assets	–	44,985,364	44,985,364
Trade and other receivables	57,859,472	57,001,810	(857,662)
LIABILITIES			
Trade and other payables	191,431,037	236,979,501	45,548,464
EQUITY			
Accumulated surplus	239,154,847	237,734,085	(1,420,762)

Before the adoption of SB-FRS 116, the Agency classified each of its leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 April 2019, and on and after 1 April 2019 is disclosed in Note 2(q).

National Environment Agency

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

(b) Adoption of new and revised standards (cont'd)

Leases previously classified as operating leases

The Agency recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied since the lease commencement date, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounting using the incremental borrowing rate at the date of initial application.

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

	\$
Operating lease commitments as at 31 March 2019	48,896,301
Less:	
Commitments relating to short-term leases	(1,050,266)
Commitments relating to low-value assets	(3,228,100)
Commitments relating to non-lease component	(1,962,623)
Add: Extension options assessed as reasonably probable	6,997
	<hr/> 42,662,309
Weighted average incremental borrowing rate as at 1 April 2019	2.24%
	<hr/>
Discounted operating lease commitments, representing lease liabilities as at 1 April 2019	<hr/> 40,261,929 <hr/>

(c) Standards issued but not yet effective

The Agency has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in SB-FRS Standards (Amendments to SB-FRS Standards)	1 January 2020
Amendments to SB-FRS 103 <i>Definition of a Business</i>	1 January 2020
Amendments to SB-FRS 1 and SB-FRS 8 <i>Definition of Material</i>	1 January 2020
Amendments to SB-FRS 109, SB-FRS 39 and SB-FRS 107: <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to SB-FRS 116 <i>Covid-19-Related Rent Concessions</i>	1 June 2020

The directors have considered and are of the view that the adoption of the above standards will have no material impact on the financial statements in the period of initial application. The Agency will adopt the new standards on the required effective date.

2. Summary of significant accounting policies (cont'd)

(d) *Income recognition*

Income is measured based on the consideration to which the Agency expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

Income is recognised when the Agency satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation. Income is recognised as follows:

- (i) Management fees are earned from activities as set out in Note 4 and recognised over time.
- (ii) Service fees are recognised when services are rendered to the customers over time. Service fees include meteorological services and course fees. Certain service fees are recognised at a point in time when the performance obligation has been satisfied.
- (iii) Regulatory charges (including income from licences and permits) are recognised at the point of collection. Certain regulatory charges are recognised when services are rendered to the customers over time.
- (iv) Interest income is recognised on a time proportion basis using the effective interest method.

(e) *Research costs*

Research costs are recognised as an expenditure when incurred.

(f) *Employee benefits*

(i) *Defined benefit plans*

Pension and other post-employment benefits

Provision for pension benefits is made for pensionable officers transferred to the Agency on 1 July 2002. Provision for death gratuities is made for officers and daily rated employees transferred to the Agency on 1 July 2002.

An actuarial valuation is conducted once every three years or as and when required to determine the cost of pension benefits and death gratuities due to these officers using the Projected Unit Credit Method.

The pension benefits and death gratuities are computed based on existing guidelines found in the Pension Act and circulars issued by the Public Service Division.

Defined benefit costs comprise the following:

- Service cost
- Interest cost on the provision for defined benefits
- Re-measurements of the provision for defined benefits

2. Summary of significant accounting policies (cont'd)

(f) Employee benefits (cont'd)

(i) Defined benefit plans (cont'd)

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expenditure in income or expenditure. Past service costs are recognised when plan amendment or curtailment occurs.

Interest cost on the provision for defined benefits is the change during the period in the provision that arises from the passage of time which is determined by applying the discount rate based on the Singapore Government bond yield to the provision. Interest cost on the provision is recognised in income or expenditure.

Re-measurements comprising actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they arise. Re-measurements are recognised in accumulated surplus within equity and are not reclassified to income or expenditure in subsequent periods.

(ii) Defined contribution plan

Contribution to Central Provident Fund ("CPF")

The Agency makes contributions to the CPF scheme in Singapore. Contributions to the CPF scheme are recognised as an expenditure in the period in which the related service is performed.

(iii) Employee leave entitlement

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

(g) Contribution to the Consolidated Fund

Under Section 13(1)(e) and the First Schedule of the Singapore Income Tax Act, Chapter 134, the income of the Agency is exempt from income tax.

In lieu of income tax, the Agency is required to make contribution to the Government Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The provision is based on the guidelines specified by the Ministry of Finance. It is computed based on the net surplus of the Agency for each of the financial year at the prevailing corporate tax rate for the Year of Assessment. Contribution to the Consolidated Fund is provided for on an accrual basis.

(h) Government grants

Government grants received for the purchase or the construction of depreciable assets are accounted for as deferred capital grants. The deferred capital grants are amortised and charged to income or expenditure over the period necessary to match the annual depreciation charge of these assets or when the assets are disposed or written off.

National Environment Agency

Notes to the financial statements For the financial year ended 31 March 2020

2. Summary of significant accounting policies (cont'd)

(h) Government grants (cont'd)

Government grants received by the Agency to meet operating expenditure are recognised in income or expenditure in the year these operating expenditures are incurred.

Government grants determined on the multi-year block cycle basis are recognised as income when disbursed. Grant adjustments are only determined at the mid or end of the cycle, and cannot be reliably estimated before then. Accordingly, such adjustments to the grants are only recorded when such reassessments are made. Those amounts that are determined to be refunded are recorded as Grants received in advance.

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

All grants are recognised when there is reasonable assurance that all attaching conditions are complied with.

(i) Property, plant and equipment

(i) Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any accumulated impairment losses (Note 2(j)).

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably.

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

	<u>Useful lives</u>
Leasehold land	- 30 to 99 years (based on lease period)
Building and building improvements	- 3 - 28 years
Furniture and fittings, office equipment	- 5 years
Computer hardware and software	- 3 years
Motor vehicles	- 10 years
Plant and machinery	- 10 years
Tugs and barges	- 25 years

Construction-in-progress are not depreciated as these assets are not yet available for use.

For property, plant and equipment which were transferred to the Agency from MSE on the Agency's establishment on 1 July 2002, the assets are depreciated over the remaining useful lives at 1 July 2002.

2. Summary of significant accounting policies (cont'd)

(i) Property, plant and equipment (cont'd)

(ii) Depreciation (cont'd)

For property, plant and equipment which were transferred to the Agency from the Health Sciences Authority, as part of the transfer of the Centre for Radiation Protection on 1 July 2007, the assets are depreciated over the remaining useful lives at 1 July 2007.

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

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in income or expenditure when incurred.

(iv) Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in income or expenditure in the year the asset is disposed.

(j) Impairment of non-financial assets

The Agency assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Agency makes an estimate of the asset's recoverable amount.

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

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in income or expenditure.

An assessment is made at each reporting date as to whether there is any indication that previously recognised losses and impairment for an asset may no longer exist or may have decreased. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in income or expenditure.

2. Summary of significant accounting policies (cont'd)

(k) **Consumables**

Consumables are carried at the lower of cost and net realisable value and are determined on a weighted average basis. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of consumables to the lower of cost and net realisable value. Net realisable value is determined using an estimate of replacement costs which is a close approximation of net realisable value.

(l) **Financial instruments**

(i) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Agency becomes a party to the contractual provisions of the financial instruments. The Agency determines the classification of its financial assets at initial recognition.

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

Trade receivables are measured at the amount of consideration to which the Agency expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

(a) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income or expenditure when the assets are derecognised or impaired, and through the amortisation process.

(b) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in income or expenditure in the period in which it arises.

2. Summary of significant accounting policies (cont'd)

(l) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Derecognition

The Agency derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Agency neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Agency recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Agency retains substantially all the risks and rewards of ownership of a transferred financial asset, the Agency continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for the debt instrument is recognised in income or expenditure.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Agency becomes a party to the contractual provisions of the financial instrument. The Agency determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income or expenditure when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income or expenditure.

2. Summary of significant accounting policies (cont'd)

(m) Impairment of financial assets

The Agency recognises a loss allowance for expected credit losses (“ECLs”) on all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Agency expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For trade receivables, the Agency applies a simplified approach in calculating ECLs. Therefore, the Agency does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Agency has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For all other financial instruments, the Agency recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Agency measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Agency compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Agency considers both quantitative and qualitative information that is available without undue cost or effort.

The Agency presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Agency has reasonable and supportable information that demonstrates otherwise.

2. Summary of significant accounting policies (cont'd)

(m) Impairment of financial assets (cont'd)

Write-off policy

The Agency writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Agency's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of comprehensive income.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Agency's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. trade and other receivables and finance lease receivables);
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- External credit ratings, where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Agency has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Agency measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, cash maintained with Accountant-General's Department ("AGD") and cash held under Centralised Liquidity Management ("CLM") scheme and Statutory Board Approved Funds ("SBAF") scheme that are readily convertible to a known amount of cash and are subject to an insignificant risk or changes in value.

2. Summary of significant accounting policies (cont'd)

(n) Cash and cash equivalents (cont'd)

Government grants received by the Agency for the purpose of property, plant and equipment renewal or replacement is recognised in cash held under Sinking Fund.

The cash held under SBAF scheme relates to an equity injection by MOF to fund the Integrated Waste Management Facility. Under the SBAF scheme, the interest income generated under CLM scheme will accrue to the Government.

(o) Provisions

Provisions are recognised when the Agency has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(p) Borrowings

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

Borrowings which are due to be settled within twelve months after the balance sheet date are presented as current liabilities in the balance sheet even though the original term was for a period longer than twelve months. Other borrowings due to be settled more than twelve months after the balance sheet date are included as non-current liabilities in the balance sheet.

(q) Leases

As lessee

On and after 1 April 2019

The Agency assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Agency applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Agency recognises lease liabilities representing the obligations to make lease payments and right-of-use ("ROU") assets representing the right to use the underlying leased assets.

2. Summary of significant accounting policies (cont'd)

(q) Leases (cont'd)

As lessee (cont'd)

On and after 1 April 2019 (cont'd)

Right-of-use (“ROU”) assets

The Agency recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a ROU asset also includes an estimate of the costs to be incurred by the Agency in dismantling and removing the underlying asset, restoring the site on which the asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The useful lives of the ROU assets are as follows:

	<u>Useful lives</u>
Leasehold land	- 2 – 5 years
Building and building improvements	- 2 – 3 years
Office equipment	- 3 – 5 years
Computer hardware	- 3 years

If ownership of the leased asset transfers to the Agency at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The ROU assets are also subjected to impairment. The accounting policy for impairment is set out in Note 2(j).

Lease liabilities

At the commencement date of the lease, the Agency recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Agency and payments of penalties for terminating the lease, if the lease term reflects the Agency exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenditure in the period in which the event or condition that triggers the payment occurs.

2. Summary of significant accounting policies (cont'd)

(q) Leases (cont'd)

As lessee (cont'd)

On and after 1 April 2019 (cont'd)

Lease liabilities (cont'd)

In calculating the present value of the lease payments, the Agency uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Agency applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value are recognised as expenses on a straight-line basis over the lease term.

Subleases

In classifying a sublease, the Agency as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Agency derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease as lease receivables. Any difference between the right-of-use asset derecognised and the net investment in sublease is recognised in income or expenditure. Lease liabilities relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Agency recognises lease income from the sublease in income or expenditure. The right-of-use asset relating to the head lease is not derecognised.

Before 1 April 2019

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to income or expenditure on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expenditure in the financial year in which termination takes place.

2. **Summary of significant accounting policies (cont'd)**

(r) **Currency translation**

(i) *Functional and presentation currency*

Items included in the financial statements of the Agency are measured using the currency of the primary economic environment in which the Agency operates ("functional currency"). The financial statements are presented in Singapore Dollar (\$), which is the functional and presentation currency of the Agency.

(ii) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchanging ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Currency translation differences from the settlement of monetary items or from the translation of monetary items at the balance sheet date are recognised in income or expenditure.

(s) **Related parties**

For the purpose of these financial statements, parties are considered to be related to the Agency if the Agency has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Agency and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Agency is a statutory board under the purview of MSE and is an entity related to the Government of Singapore. Accordingly, the Agency's related parties include Government-related entities such as Ministries, Organs of State and other Statutory Boards.

In accordance with Paragraph 28A of SB-FRS 24 *Related Party Disclosures*, the Agency is exempted from disclosing transactions with government-related entities other than Ministries, Organs of State and other Statutory Boards, unless there are circumstances to indicate that these transactions are unusual and their disclosure would be of interest to readers of the financial statements.

2. Summary of significant accounting policies (cont'd)

(s) Related parties (cont'd)

The Agency also applies the exemption in Paragraph 25 of SB-FRS 24 *Related Party Disclosures*. Required disclosures of transactions and outstanding balances with government-related entities are limited to the following information to enable users of the Agency's financial statements to understand the effect of the related party transactions on the financial statements:

- (i) the nature and amount of each individually significant transaction with Ministries, Organs of State and other Statutory Boards; and
- (ii) for other transactions with Ministries, Organs of State and other Statutory Boards that are collectively but not individually significant, a qualitative or quantitative indication of their extent.

3. Critical accounting estimates, assumptions and judgements

The preparation of the Agency's financial statements in conformity with SB-FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenditure, and the disclosures of contingent liabilities at the end of the reporting period.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of critical judgements and estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

(i) Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 99 years. The carrying amount of the Agency's property, plant and equipment at 31 March 2020 was \$205,918,743 (31 March 2019: \$175,264,654). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these property, plant and equipment, therefore future depreciation charges could be revised (Note 15).

(ii) Incineration service agreements assessed to be not a lease

The Agency has two incineration services agreements, for terms of between 15 to 25 years. In accordance to the agreements, the Agency pays monthly incineration service fees for the incineration and related maintenance services based on the services received. For the financial year ended 31 March 2020, the Agency incurred incineration service fees amounting to \$95,374,910 (2018/2019: \$93,041,255) which included carbon tax expense charged amounting to \$2,729,968 (2018/2019: \$613,159). The Agency has assessed that the agreements do not contain a lease as the Agency does not have the right to control the use of the incineration plants.

National Environment Agency

**Notes to the financial statements
For the financial year ended 31 March 2020**

4. Income

(a) Disaggregation of income

The table below shows the disaggregation of the revenue of the Agency based on the various key income streams and the timing of transfer of goods or services (either at a point in time or over time).

	2019/2020	2018/2019
	\$	\$
Timing of income recognition		
At a point in time:		
Services fees	1,913,126	2,572,692
Regulatory charges ⁽¹⁾	7,922,771	13,610,013
Other operating income	11,624,752	14,249,891
Over time:		
Management fees ⁽²⁾	62,242,128	65,050,479
Services fees	18,167,336	17,600,005
Regulatory charges ⁽¹⁾	1,610,618	1,054,774
	103,480,731	114,137,854

⁽¹⁾ Included in FY2018/2019 was an amount of \$4,847,144 for food related licenses which have since transferred to Singapore Food Agency on 1 April 2019.

⁽²⁾ The Agency has been appointed by the Housing Development Board ("HDB") on 1 April 2004 to manage, lease and maintain HDB markets and hawker centres in consideration of a management fee which represents the rental collected from the markets' and hawker centres' stallholders.

(b) Transaction price allocated to remaining performance obligations

Information relating to the aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations is presented in the table below:

	As 31 March 2020	As 31 March 2019
	\$	\$
Expected to be recognised in:		
One year or less	862,057	1,073,149
More than one year	1,250,948	1,520,919
	2,113,005	2,594,068

5. Staff costs

	2019/2020	2018/2019
	\$	\$
Wages and salaries	260,065,754	284,502,501
Employer's contribution to Central Provident Fund	32,605,221	35,581,974
Pension contributions and death gratuities	385,516	461,561
Other staff costs	10,934,577	10,022,821
	303,991,068	330,568,857

National Environment Agency

Notes to the financial statements For the financial year ended 31 March 2020

6. Maintenance, services and supplies

Included in maintenance, services and supplies were:

	2019/2020	2018/2019
	\$	\$
Public area landscaping, cleaning services and supplies	131,073,452	128,778,230
Incineration services	95,374,910	93,041,255
Maintenance of specialised and industrial equipment	30,966,573	47,757,255
Maintenance of building, markets and hawkker centres and office premises	39,657,467	39,553,418
IT services	37,137,578	37,193,115
Security and enforcement services	19,179,484	21,256,518
Industrial supplies	11,658,003	16,947,232
Vector control services	21,611,416	19,042,569
Table cleaning services	8,239,354	8,351,391
Utilities charges	8,759,285	8,786,122

7. Finance expense

	2019/2020	2018/2019
	\$	\$
Interest expense on loan from Government	76,165	217,634
Interest expense on lease liabilities	803,410	–
Interest expense on provision for reinstatement cost	136,103	–
	1,015,678	217,634

8. Other operating expenditure

Included in other operating expenditure were:

	2019/2020	2018/2019
	\$	\$
GST expense	23,568,806	22,240,963
Communication expense	7,756,078	7,574,089
Research costs	4,771,964	10,095,349
Plant and equipment expensed off	1,565,584	520,797
Carbon tax provision	4,298,895	940,672
Incentive scheme for motorcycles	19,945,500	29,124,000

Carbon tax

The carbon tax payable is based on taxable greenhouse gas emissions for the relevant reporting period. The Agency's liability for carbon tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Carbon tax is recognised as an expenditure in the statement of comprehensive income.

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Notes to the financial statements
For the financial year ended 31 March 2020

9. Government grants

	2019/2020	2018/2019
	\$	\$
Operating grants	741,886,702	861,500,797
Deferred capital grants amortised	24,568	8,296
Other grants	11,286,104	18,717,005
	753,197,374	880,226,098

During the year, a mid-term review of grants under the multi-year block cycle (Note 2(h)) was performed. This resulted in an adjustment of \$120,748,707 from Operating grants to Grants received in advance.

10. Provision for contribution to the Consolidated Fund

	2019/2020	2018/2019
	\$	\$
(Deficit)/surplus before contribution to the Consolidated Fund	(51,640,509)	46,739,191
Contribution to the Consolidated Fund calculated at a tax rate of 17% (2018/2019: 17%)	-	7,945,662

11. Cash and cash equivalents

	2019/2020	2018/2019
	\$	\$
Cash held with AGD - under CLM scheme	235,845,892	180,519,529
Cash held with AGD - under SBAF scheme	491,853,175	505,932,543
Cash held with AGD - others	2,254,904	4,711,830
Cash at banks	5,913,944	7,991,717
Cash on hand	-	1,400
	735,867,915	699,157,019

Included within the cash held under Centralised Liquidity Management ("CLM") scheme is an amount of \$95,307,262 (2018/2019: \$80,323,093) which relates to cash held under Sinking Fund for the purpose of renewal or replacement of property, plant and equipment. The cash held under Statutory Board Approved Funds ("SBAF") scheme relates to an equity injection by MOF to fund the Integrated Waste Management Facility (Note 22). Under the SBAF scheme, the interest income generated under CLM scheme will accrue to the Government.

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**Notes to the financial statements
For the financial year ended 31 March 2020**

12. Trade and other receivables

	2019/2020	2018/2019
	\$	\$
Trade receivables	5,388,891	12,020,601
Less: Loss allowance	(307,262)	(298,108)
Net trade receivables	5,081,629	11,722,493
Revenue to be collected on behalf on MSE	20,446,738	25,330,733
Prepayments	2,466,083	6,425,701
Deposits	803,207	821,526
Interest receivables	2,690,609	2,388,907
Other receivables ⁽¹⁾	7,419,477	11,170,112
	38,907,743	57,859,472

⁽¹⁾ Includes grant receivables of \$2,966,481 (2018/2019: \$6,225,268) for research-related costs.

Trade receivables are generally on 30 days (2018/2019: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. All trade receivables are denominated in Singapore Dollars.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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Notes to the financial statements
For the financial year ended 31 March 2020

12. Trade and other receivables (cont'd)

The following tables detail the risk profile of trade receivables from contracts with customers based on the Agency's provision matrix. As the Agency's historical credit loss experience show significantly different loss patterns for different customer segments (including normal and low risk type), the provision for loss allowance based on past due status is further distinguished between the Agency's customer segment of different risk type.

	Individual customers			
	ECL rate	Gross carrying amount		Total
			Lifetime ECL	
	%	\$	\$	\$
31 March 2020				
Current	–	596,858	–	596,858
1 to 30 days	0.05	354,304	(177)	354,127
31 to 60 days	0.96	188,894	(1,813)	187,081
61 to 90 days	7.56	110,635	(8,364)	102,271
91 to 150 days	38.08	131,395	(50,035)	81,360
> 150 days	75.50	326,984	(246,873)	80,111
Total		1,709,070	(307,262)	1,401,808
31 March 2019				
Current	–	1,216,572	–	1,216,572
1 to 30 days	0.06	312,826	(188)	312,638
31 to 60 days	1.04	141,313	(1,469)	139,844
61 to 90 days	7.85	76,784	(6,027)	70,757
91 to 150 days	38.89	99,544	(38,713)	60,831
> 150 days	68.68	366,498	(251,711)	114,787
Total		2,213,537	(298,108)	1,915,429
	Corporate customers			
	ECL rate	Gross carrying amount		Total
			Lifetime ECL	
	%	\$	\$	\$
31 March 2020				
Current	–	3,665,670	–	3,665,670
1 to 30 days	–	11,916	–	11,916
31 to 60 days	–	940	–	940
61 to 90 days	–	1,295	–	1,295
91 to 150 days	–	–	–	–
> 150 days	–	–	–	–
Total		3,679,821	–	3,679,821
31 March 2019				
Current	–	9,411,121	–	9,411,121
1 to 30 days	–	393,938	–	393,938
31 to 60 days	–	1,695	–	1,695
61 to 90 days	–	310	–	310
91 to 150 days	–	–	–	–
> 150 days	–	–	–	–
Total		9,807,064	–	9,807,064

National Environment Agency

Notes to the financial statements For the financial year ended 31 March 2020

12. Trade and other receivables (cont'd)

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SB-FRS 109:

	At 31 March 2020	At 31 March 2019
	\$	\$
Balance at beginning of financial year	298,108	562,385
Loss allowance recognised in income or expenditure:		
Charge for the financial year	307,262	298,108
Write-back	(82,766)	(348,534)
Receivables written off as uncollectible	(215,342)	(213,851)
Balance at end of financial year	<u>307,262</u>	<u>298,108</u>

The Agency has not made any allowance for ECL on deposits, interest receivables and other receivables as the Agency is of the view that these are recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance.

The collateral held by the Agency for trade receivables past due but not impaired is set out below:

	At 31 March 2020	At 31 March 2019
	\$	\$
Deposits received	<u>733,366</u>	657,659

13. Financial assets at fair value through profit or loss

	At 31 March 2020	At 31 March 2019
	\$	\$
Held-for-trading financial assets at fair value - Quoted investment funds	<u>123,711,872</u>	<u>121,396,085</u>

The investment funds offer the Agency the opportunity for return through fair value gains. The funds have no fixed maturity or coupon rate.

The quoted investment funds are in a diversified portfolios of various asset classes managed by professional fund managers awarded by Accountant-General's Department ("AGD") under the Demand Aggregation III Scheme.

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Notes to the financial statements
For the financial year ended 31 March 2020

14. Quoted debt securities at amortised cost

	At 31 March 2020	At 31 March 2019
	\$	\$
Quoted debt securities at amortised cost		
- Current	15,599,545	–
- Non-current	64,305,462	75,173,544
	79,905,007	75,173,544

The average effective interest rate of the quoted debt securities is 2.37% (2018/2019: 2.37%) per annum.

As at 31 March 2020, the quoted debt securities have nominal values amounting to \$79,250,000 (2018/2019: \$74,250,000), with coupon rates ranging from 2.30% to 3.63% (2018/2019: 2.30% to 3.63%) per annum and average maturity of 3 years (2018/2019: 4 years).

The quoted debt securities are denominated in Singapore dollars.

For purpose of impairment assessment, the investments in debt securities are considered to have low credit risk as the main counterparties to these instruments are statutory boards of the Singapore Government and government-linked corporations. Accordingly, for the purpose of impairment assessment for these debts instruments, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience, the capacity of the issuers of these debt securities to meet their contractual cash flow obligations in the near term, and the economic and business conditions in the long term, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance.

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

15. Property, plant and equipment

	Leasehold land \$	Building and building improvements \$	Furniture and fittings, office equipment \$	Computer hardware and software \$	Motor vehicles \$	Plant and machinery \$	Tugs and barges \$	Construction -in-progress \$	Total \$
Cost									
At 1 April 2018	961,790	14,009,788	6,141,513	90,022,925	8,352,953	126,440,648	28,274,403	11,592,507	285,796,527
Additions	82,806,600	810,468	243,120	8,274,671	393,667	2,108,863	-	26,063,418	120,700,807
Disposals/write-offs	-	(578,083)	(257,705)	(1,348,512)	(836,178)	(3,086,566)	-	(40,252)	(6,147,296)
Transfers	-	-	2,800	5,032,240	-	342,000	-	(5,377,040)	-
At 31 March 2019 and 1 April 2019	83,768,390	14,242,173	6,129,728	101,981,324	7,910,442	125,804,945	28,274,403	32,238,633	400,350,038
Additions	238	1,303,028	114,758	634,265	132,769	4,507,531	-	47,162,476	53,855,065
Disposals/write-offs	-	(24,296)	(199,473)	(7,475,036)	(335,823)	(3,803,762)	-	(31,167)	(11,869,557)
Transfers to SFA	-	-	(2,200)	(44,918)	(746,301)	(203,461)	-	-	(996,880)
Transfers	22,321	1,326,644	3,536,936	13,348,423	-	13,802,162	-	(32,036,486)	-
At 31 March 2020	83,790,949	16,847,549	9,579,749	108,444,058	6,961,087	140,107,415	28,274,403	47,333,456	441,338,666
Accumulated depreciation									
At 1 April 2018	288,537	9,826,518	5,575,172	81,157,851	4,236,882	93,080,603	20,474,568	-	214,640,131
Depreciation	589,680	653,182	350,380	6,899,257	769,065	5,781,526	1,299,972	-	16,343,062
Disposals/write-offs	-	(578,083)	(257,305)	(1,345,237)	(800,631)	(2,916,553)	-	-	(5,897,809)
At 31 March 2019 and 1 April 2019	878,217	9,901,617	5,668,247	86,711,871	4,205,316	95,945,576	21,774,540	-	225,085,384
Depreciation	874,370	1,200,153	648,013	11,415,354	682,092	6,559,027	1,299,973	-	22,678,982
Disposals/write-offs	-	(23,761)	(198,106)	(7,472,805)	(286,741)	(3,766,453)	-	-	(11,747,866)
Transfers to SFA	-	-	(1,357)	(39,603)	(452,899)	(102,718)	-	-	(596,577)
At 31 March 2020	1,752,587	11,078,009	6,116,797	90,614,817	4,147,768	98,635,432	23,074,513	-	235,419,923
Net book value									
At 31 March 2019	82,890,173	4,340,556	461,481	15,269,453	3,705,126	29,859,369	6,499,863	32,238,633	175,264,654
At 31 March 2020	82,038,362	5,769,540	3,462,952	17,829,241	2,813,319	41,471,983	5,199,890	47,333,456	205,918,743

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

16. Right-of-use assets		Leasehold land \$	Building and building improvements \$	Office equipment \$	Computer hardware \$	Others \$	Total \$
	Cost						
	At 1 April 2019	5,698,108	46,459,638	30,885	26,028	—	52,214,659
	Effect of adopting FRS 116	—	—	—	—	—	—
	At 1 April 2019 (restated)	5,698,108	46,459,638	30,885	26,028	—	52,214,659
	Effect of sublease arrangement	(5,588,191)	—	—	—	—	(5,588,191)
	Additions	—	5,518,603	—	—	1,184,294	6,702,897
	Lease modifications	—	(21,767)	—	—	—	(21,767)
	At 31 March 2020	109,917	51,956,474	30,885	26,028	1,184,294	53,307,598
	Accumulated depreciation						
	At 1 April 2019	—	—	—	—	—	—
	Effect of adopting FRS 116	328,716	6,871,647	19,443	9,489	—	7,229,295
	At 1 April 2019 (restated)	328,716	6,871,647	19,443	9,489	—	7,229,295
	Effect of sublease arrangement	(279,409)	—	—	—	—	(279,409)
	Depreciation	35,088	18,944,583	9,675	8,676	524,487	19,522,509
	At 31 March 2020	84,395	25,816,230	29,118	18,165	524,487	26,472,395
	Net carrying amount:						
	At 1 April 2019	5,369,392	39,587,991	11,442	16,539	—	44,985,364
	At 31 March 2020	25,522	26,140,244	1,767	7,863	659,807	26,835,203

National Environment Agency

**Notes to the financial statements
For the financial year ended 31 March 2020**

17. Trade and other payables

	At 31 March 2020	At 31 March 2019
	\$	\$
Trade payables	48,672,226	71,940,560
Accruals	79,600,552	82,568,119
Accruals for property, plant and equipment	12,724,840	7,649,043
Deposits received	24,559,996	24,831,195
Advance payments received	3,653,040	4,489,221
Lease liabilities (Note 23)	28,104,847	–
Other payables	11,629,793	952,899
	208,945,294	192,431,037
	192,362,589	191,490,365
Current	16,582,705	940,672
Non-current	208,945,294	192,431,037

Trade payables are non-interest bearing. Trade payables are usually settled on 30 days (2018/2019: 30 days) term and are denominated in Singapore Dollars.

18. Payable to the Ministry of Sustainability and the Environment (“MSE”)

	At 31 March 2020	At 31 March 2019
	\$	\$
Grant to be returned to MSE	18,522,805	6,131,984
Payable to MSE for revenue collected on behalf	22,638,412	28,562,586
Other receivable from MSE	(682,261)	(9,789,822)
	40,478,956	24,904,748

For the financial year ended 31 March 2020, the Agency collected total Government revenue on behalf of MSE amounting to \$377,200,309 (2018/2019: \$392,801,903).

The amounts payable to MSE are unsecured, interest-free and expected to be repaid within the next twelve months.

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

19. Loan from Government (unsecured)

	At 31 March 2020	At 31 March 2019
	\$	\$
Amount repayable within one year	–	3,950,555
Loan from Government	–	3,950,555

The loan was repayable over a period of 15 years, commencing 1 April 2005, at a monthly instalment of \$303,889.

The interest rate of the loan from Government was fixed at 3.86% (2018/2019: 3.86%) per annum until the maturity of the loan in 2020. The loan was fully repaid in the current year.

20. Provision for pensions and death gratuities

	At 31 March 2020	At 31 March 2019
	\$	\$
Balance sheet obligations for:		
Pensions	8,290,205	7,900,781
Death gratuities	14,347	96,747
	8,304,552	7,997,528
Amount payable within one year	971,225	1,124,198
Amount payable after one year	7,333,327	6,873,330
	8,304,552	7,997,528
Statement of comprehensive income		
Pensions	380,721	456,835
Death gratuities	4,795	4,726
	385,516	461,561

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

20. Provision for pensions and death gratuities (cont'd)

The amounts recognised as expenditure were as follows:

	Note	2019/2020 \$	2018/2019 \$
<u>Pensions</u>			
Current service cost		196,063	257,101
Interest cost		135,581	150,715
		331,644	407,816
<u>Death gratuities</u>			
Current service cost		3,131	3,721
Interest cost		1,664	1,005
		4,795	4,726
Total provision for the financial year - net		336,439	412,542
Pension charged directly to income or expenditure		49,077	49,019
Total included in staff costs	5	385,516	461,561

The amounts recognised in other comprehensive income were as follows:

	2019/2020 \$	2018/2019 \$
Actuarial loss arising from changes in financial assumptions used in determining the Agency's pensions obligations and due to scheme experience	1,594,857	–
Actuarial gain arising from changes in demographic and financial assumptions used in determining the Agency's death gratuities obligations and due to scheme experience	(68,739)	–
Net re-measurement loss on defined benefit plans, recognised in other comprehensive income	1,526,118	–

National Environment Agency

Notes to the financial statements For the financial year ended 31 March 2020

20. Provision for pensions and death gratuities (cont'd)

The movement in liability recognised in the balance sheet was as follows:

	At 31 March 2020	At 31 March 2019
	\$	\$
Balance at beginning of financial year	7,997,528	8,296,507
Provision for the financial year – net	336,439	412,542
Net re-measurement loss on defined benefit plans	1,526,118	–
Less: Amount paid during the financial year	(1,555,533)	(711,521)
Balance at end of financial year	8,304,552	7,997,528

The Agency and the Singapore Government jointly finance the payment of gratuity, pension or allowance to pensionable officers at their retirement. The split of pension costs is determined based on the accumulated pensionable emoluments earned by the pensionable employee while he was in the government services as compared with his service with the Agency up to his retirement.

The proportion of pension benefits payable to pensionable officers prior to the establishment of the Agency on 1 July 2002, which is to be borne by the Government, is excluded from the amount stated above.

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension and death gratuity benefit obligations for the defined benefit plans are shown below:

- (i) All pensionable and non-pensionable officers will retire at the age of 62.
- (ii) Pensionable officers are entitled to select one of the following state-managed pension schemes upon retirement:
 - (1) Annual pension payments;
 - (2) Reduced pension together with gratuity payment upon retirement; or
 - (3) Lump sum gratuity payment upon retirement.

Accrual for defined benefit pension obligations is made assuming that scheme (3) will be selected by these employees upon retirement based on the Agency's historical experience, and represents the present value of defined benefit pension obligations.

- (iii) The rate used to discount pensions and death gratuities obligations is 0.76% for Pensionable Officers and 1.37% for Pensioners (2018/2019: 1.90% for Pensionable Officers and Pensioners) per annum.
- (iv) The expected rate of salary increases for pensionable officers, non-pensionable officers and daily rated employees is 3.00% per annum (2018/2019: 3.00% per annum).

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

20. Provision for pensions and death gratuities (cont'd)

- (v) Assumptions regarding future mortality are based on published statistics and mortality tables.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligations as at the end of the reporting period, assuming if all other assumptions were held constant:

		At 31 March 2020		At 31 March 2019	
		Provision for pensions	Provision for death gratuities	Provision for pensions	Provision for death gratuities
		\$	\$	\$	\$
Discount rate	+25 basis points	8,111,400	14,307	7,798,861	96,109
	-25 basis points	8,476,970	14,387	8,005,861	97,395
Future salary increases	+25 basis points	8,305,287	14,404	8,053,266	99,514
	-25 basis points	8,275,192	14,291	7,748,296	93,970

21. Deferred capital grants

	Note	At 31 March 2020	At 31 March 2019
		\$	\$
Balance at beginning of financial year		98,999	18,235
Addition in the year		292,685	89,060
Less: Amortisation of deferred capital grants in income or expenditure	9	(24,568)	(8,296)
Balance at end of financial year		367,116	98,999

22. Share capital

	At 31 March 2020	At 31 March 2019	At 31 March 2020	At 31 March 2019
	Number of ordinary shares		\$	\$
Issued and paid up:				
At the beginning of the year	687,352,535	685,735,911	687,352,535	685,735,911
Capital pending issuance	1,874,656	1,616,624	1,874,656	1,616,624
	689,227,191	687,352,535	689,227,191	687,352,535

The Agency's share capital comprises fully paid up ordinary shares which have no par value. These are held by the Minister of Finance ("MOF"). Subsequent to the year end on 21 May 2020 (2018/2019: 24 May 2019), the Agency issued shares of \$1,874,656 (2018/2019: \$1,616,624) to MOF. These are mainly to fund the Agency's capital projects.

National Environment Agency

**Notes to the financial statements
For the financial year ended 31 March 2020**

23. Leases

Agency as a lessee

The Agency has lease contracts for leasehold land, building and building improvements, office equipment and computer hardware. The Agency's obligations under these leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options which are further discussed below.

The Agency also has certain leases for land, building, office equipment and computer hardware with lease terms of 12 months or less and leases with low-value. The Agency applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and movement during the financial year are disclosed in Note 16.

(b) Lease liabilities

A reconciliation of lease liabilities arising from financing activities is as follows:

	Cash flows:			Non-cash changes:			31 March 2020
	1 April 2019	Principal paid	Interest paid	Additions	Accretion of interests	Lease modifications	
	\$	\$	\$	\$	\$	\$	\$
Lease liabilities							
- Current	16,179,332	(17,830,298)	(803,410)	5,694,948	803,410	(21,732)	12,944,120
- Non-current	24,082,597	-	-	-	-	-	(12,944,120)
	40,261,929	(17,830,298)	(803,410)	5,694,948	803,410	(21,732)	-
							28,104,847

The maturity analysis of lease liabilities (included under trade and other payables) is disclosed in Note 25.

(c) Amounts recognised in income or expenditure

	2019/2020
	\$
Depreciation of right-of-use assets (Note 16)	19,522,509
Interest expense on lease liabilities (Note 7)	803,410
Lease expense not capitalised in lease liabilities:	
- Expenditure relating to short-term leases	1,208,205
- Expenditure relating to leases of low-value assets	2,075,591
Total amount recognised in income or expenditure	23,609,715

National Environment Agency

Notes to the financial statements For the financial year ended 31 March 2020

23. Leases (cont'd)

Agency as a lessee (cont'd)

(d) Total cash outflows

The Agency had total cash outflows for leases of \$21,917,504 during the financial year.

Agency as an intermediate lessor

The Agency has entered into a sublease for one of its leases. The lease term of the sublease constitutes a major part of tenure of the head lease and accordingly, this sublease is classified as a finance lease. The net investment in the sublease is recognised as lease receivables.

	At 31 March 2020 \$
As at 1 April 2019	–
Additions	4,629,204
Accretions of interest	141,882
Receipts	(324,330)
	<hr/>
At 31 March 2020	4,446,756
	<hr/>
Current	188,225
Non-current	4,258,531
	<hr/>
At 31 March 2020	4,446,756
	<hr/>

The Agency recognised interest income on lease receivables of \$141,882 and had total cash inflow for finance lease receivables of \$324,330 during the financial year.

24. Commitments

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised as liabilities in the financial statements are as follows:

	At 31 March 2020 \$	At 31 March 2019 \$
Property, plant and equipment	162,851,799	49,124,374
	<hr/>	<hr/>

National Environment Agency

**Notes to the financial statements
For the financial year ended 31 March 2020**

24. Commitments (cont'd)

(b) ***Operating lease commitments - as lessee***

The Agency leases various offices, land and open space under non-cancellable operating lease agreements. The leases have varying lease terms and renewal rights.

	2018/2019
	\$
Minimum lease payments under operating leases recognised as an expenditure in the year	17,670,174

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

	At 31 March 2019
	\$
Not later than one year	20,712,734
Between one and five years	23,631,419
Later than five years	4,552,148
	<hr/> 48,896,301 <hr/>

As disclosed in Note 2 (b), the Agency has adopted SB-FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term and low-value leases

(c) ***Other commitments***

Under the Whole Of Government ("WOG") ICT infrastructure, agencies are required to lease computer equipment and subscribe to a list of WOG ICT Infrastructure services under specific bulk tenders. The Agency pays monthly fees for WOG ICT Infrastructure services. For the financial year ended 31 March 2020, \$15,765,072 (2018/2019: \$16,333,718) was recognised in the statement of comprehensive income for expenditure incurred under WOG. The other commitments at balance sheet date are as follows:

	At 31 March 2020	At 31 March 2019
	\$	\$
Not later than one year	8,590,532	11,099,836
Between one and five years	8,049,199	16,687,974
	<hr/> 16,639,731 <hr/>	<hr/> 27,787,810 <hr/>

25. Financial risk management

The Agency, in its normal course of operations, is exposed to a variety of financial risks: credit risk, liquidity risk, interest rate risk and price risk.

(a) **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Agency. The major classes of financial assets of the Agency are cash and cash equivalents, trade and other receivables, quoted debt securities at amortised cost and financial assets at fair value through profit or loss. The Agency limits its credit risk exposure in respect of investments by placing its funds only in statutory board and high quality government-linked corporations bonds or with professional fund managers awarded by AGD under the Demand Aggregation III Scheme.

Bank deposits are placed in banks and financial institutions which are regulated. The cash with AGD are placed with regulated financial institutions.

The Agency monitors the receivables from customers closely on an on-going basis and has policies in place to ensure the customers maintain sufficient deposits with them. The Agency is not exposed to credit risk for revenue to be collected on behalf of MSE.

Despite the foregoing, the Agency assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Agency regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Agency considers that default has occurred when a financial asset is more than 150 days past due unless the Agency has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Agency considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables are generally not recoverable if they meet either of the following criteria:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Agency, in full (without taking into account any collaterals held by the Agency).

25. Financial risk management (cont'd)

(a) Credit risk (cont'd)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) Significant financial difficulty of the borrower;
- b) A breach of contract, such as a default or past due event;
- c) The Agency, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the Agency would not otherwise consider;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) The disappearance of an active market for that financial asset because of financial difficulties.

Collaterals and other credit enhancements

During the financial year, the Agency took possession of collateral held as security as follows:

	At 31 March 2020	At 31 March 2019
	\$	\$
Deposits utilised	369,793	479,721

The Agency's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >150 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Agency has no realistic prospect of recovery.	Amount is written off

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

25. Financial risk management (cont'd)

(a) Credit risk (cont'd)

The table below details the credit quality of the Agency's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
At 31 March 2020						
Trade receivable	12	(i)	Lifetime ECL (simplified approach)	5,388,891	(307,262)	5,081,629
Other receivables (excluding revenue to be collected on behalf of MSE and prepayments)	12	Performing	12-month ECL	10,913,293	–	10,913,293
Quoted debt securities at amortised cost	14	Performing	12-month ECL	79,905,007	–	79,905,007
					(307,262)	

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
At 31 March 2019						
Trade receivable	12	(i)	Lifetime ECL (simplified approach)	12,020,601	(298,108)	11,722,493
Other receivables (excluding revenue to be collected on behalf of MSE and prepayments)	12	Performing	12-month ECL	14,380,545	–	14,380,545
Quoted debt securities at amortised cost	14	Performing	12-month ECL	75,173,544	–	75,173,544
					(298,108)	

- (i) The Agency determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience derived from the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Agency has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Agency only grants credit to creditworthy counterparties.

Cash is held with creditworthy institutions and is subject to immaterial credit loss.

The Agency's credit exposure is concentrated mainly in Singapore. It has no significant concentration of credit risk with any single customer or group of customers.

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

25. Financial risk management (cont'd)

(b) *Liquidity risk*

Liquidity risk arises from the general funding of the Agency's operating activities. It includes the risk of not being able to fund operating activities at settlement dates and liquidate position in a timely manner. The Agency obtains its funding requirements from the Government through operating grants. The Agency also manages its liquidity risk by placing primarily its funds in deposits with AGD depending on its immediate cash requirements.

The table below analyses the maturity profile of the Agency's financial assets and liabilities based on contractual undiscounted repayment obligations.

	Less than 1 year \$	Between 1 and 5 years \$	More than 5 years \$
At 31 March 2020			
Financial assets:			
Financial assets at fair value through profit or loss	123,711,872	-	-
Quoted debt securities at amortised cost	17,652,967	54,902,439	13,324,350
Cash and cash equivalents	735,867,915	-	-
Trade and other receivables	36,441,660	-	-
Lease receivables	324,330	1,621,653	3,864,940
Total undiscounted financial assets	913,998,744	56,524,092	17,189,290
Financial liabilities:			
Trade and other payables	167,726,740	8,508,669	3,864,940
Payable to MSE	21,956,151	-	-
Total undiscounted financial liabilities	189,682,891	8,508,669	3,864,940
Total net undiscounted financial assets	724,315,853	48,015,423	13,324,350

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

25. Financial risk management (cont'd)

(b) *Liquidity risk (cont'd)*

	Less than 1 year \$	Between 1 and 5 years \$	More than 5 years \$
At 31 March 2019			
Financial assets:			
Financial assets at fair value through profit or loss	121,396,085	–	–
Quoted debt securities at amortised cost	2,078,068	66,777,806	13,648,700
Cash and cash equivalents	699,157,019	–	–
Trade and other receivables	51,433,771	–	–
Total undiscounted financial assets	874,064,943	66,777,806	13,648,700
Financial liabilities:			
Trade and other payables	187,001,144	–	–
Loan from Government	4,040,090	–	–
Payable to MSE	24,904,748	–	–
Total undiscounted financial liabilities	215,945,982	–	–
Total net undiscounted financial assets	658,118,961	66,777,806	13,648,700

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Agency's financial instruments will fluctuate because of changes in market interest rates.

The Agency's exposure to interest rates relate mainly to the cash placed with reputable banks and financial institutions and deposits held with AGD. The interest rates for cash with AGD are based on deposit rates determined by the financial institutions with which the cash are deposited and are expected to move in tandem with market interest rate movements.

Interest rate sensitivity analysis has not been presented as management does not expect any reasonable changes in interest rates to have a material impact on the Agency's income.

25. Financial risk management (cont'd)

(d) **Price risk**

Market price risk is the risk that the fair value or future cash flows of the Agency's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Agency's exposure to changes in market prices relates primarily to unit trusts managed by professional fund managers awarded by AGD under the Demand Aggregation III Scheme.

The Agency's objective is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. It is the Agency's policy to achieve an appropriate diversification in its investment portfolio in order to mitigate such risk.

At the reporting date, if market prices for the unit trusts investments had increased by 10%, assuming all other variables remain constant, the Agency's deficit (2018/2019: surplus) for the year would decrease by approximately \$12,371,187 (2018/2019: increase by \$12,139,609). A decrease in 10% of the prices would have an equal but opposite effect.

26. Fair value of assets and liabilities

(a) **Fair value hierarchy**

The Agency classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Agency can access at the measurement date,
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) **Assets that are measured at fair value on recurring basis**

Some of the Agency's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation techniques(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key input
	31 March 2020	31 March 2019		
	\$	\$		
Quoted investment fund	123,711,872	121,396,085	Level 2	Fair value is based on valuation provided by professional fund managers

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

26. Fair value of assets and liabilities (cont'd)

(c) **Assets and liabilities not carried at fair value but for which fair value is disclosed**

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

	Quoted prices in active markets for Identical Instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (level 3)	Total	Carrying amount
	\$	\$	\$	\$	\$
At 31 March 2020					
Quoted debt securities	–	82,091,732	–	82,091,732	79,905,007
At 31 March 2019					
Quoted debt securities	–	75,570,725	–	75,570,725	75,173,544

(d) **Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

Cash and cash equivalents, trade and other receivables, trade and other payables, payable to the Ministry of Sustainability and the Environment and current portion of loan from Government

The carrying amounts approximate fair values due to the relatively short-term maturity of these instruments.

(e) **Classification of financial assets and financial liabilities**

The carrying amounts of the Agency's financial instruments in each of the following categories are as follows:

	At 31 March 2020	At 31 March 2019
	\$	\$
Financial assets at fair value through profit or loss	123,711,872	121,396,085
Financial assets at amortised cost:		
Cash and cash equivalents	735,867,915	699,157,019
Trade and other receivables	36,441,660	51,433,771
Lease receivables	4,446,756	–
Quoted debt securities	79,905,007	75,173,544
	980,373,210	947,160,419

National Environment Agency

Notes to the financial statements
For the financial year ended 31 March 2020

26. Fair value of assets and liabilities (cont'd)

(e) *Classification of financial assets and financial liabilities (cont'd)*

	At 31 March 2020 \$	At 31 March 2019 \$
Financial liabilities at amortised cost:		
Trade and other payables	178,318,138	187,001,144
Payable to the Ministry of Sustainability and the Environment	21,956,151	24,904,748
Loan from Government	–	3,950,555
	200,274,289	215,856,447

27. Related party transactions

(a) *Sale of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant transactions between the Agency and related parties:

	2019/2020 \$	2018/2019 \$
Meteorological services rendered to Ministries, Organs of State and other Statutory Boards	18,042,438	17,630,676

(b) *Compensation of key management personnel*

	2019/2020 \$	2018/2019 \$
Salaries and other short-term employee benefits	6,369,471	6,155,775
Employer's contribution to Central provident Fund	273,836	243,734
Post-employment benefits-contribution to pension	51,648	97,823
	6,694,955	6,497,332

Included in the above are Board members' fees amounting to \$270,000 (2018/2019: \$292,500).

National Environment Agency

Notes to the financial statements For the financial year ended 31 March 2020

28. Events occurring after the reporting period

Subsequent to year-end, the Agency had introduced many measures or initiatives, as part of SG Clean Campaign, to manage the trend of increasing local transmission of COVID-19. As an agent of the Government, the Agency is expected to receive additional grants to fund the implementation of these initiatives. In line with the government's relief measures to help businesses, the Agency has provided 5 months of rental waiver to all stallholders in hawker centres managed by the Agency or appointed operators. The first tranche of 0.5 month of rental waiver was made in March 2020. The financial impact of the remaining rental waivers will be reflected in the next financial year.

29. Comparative figures

The financial statements for the financial year ended 31 March 2019 were audited by another firm of Chartered Public Accountants.

30. Authorisation of financial statements

The financial statements of the Agency for the year ended 31 March 2020 were authorised for issue by the Board members of the Agency on 14 August 2020.



National Environment Agency

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